

# DAILY REPORT

## Asia & Pacific

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MORE REPORTAGE ON ASEAN FOREIGN MINISTERS CONFERENCE

## Mokhtar on Suharto-Reagan Talks

BK301105 Jakarta ANTARA in English 1037 GMT 30 Apr 86

[Text] Denpasar, April 30 (ANTARA) -- U.S. President Ronald Reagan and President Suharto Thursday are scheduled hold a tete-a-tete here and meanwhile at a separate room Indonesian and U.S. ministers will also meet in parallel talks.

In a news conference also attended by members of the White House press corps, Foreign Minister Mokhtar Kusumaatmaja announced that in the bilateral talks, the documents of two agreements between the U.S. and Indonesia will be exchanged, one on the prevention of double taxation and the other on air communications. The air agreement will give rights to the airlines of the two countries to land in the U.S. and in Indonesia.

Economic issues will be the main topics in the talks between Reagan and Suharto and between the ministers of the two nations, Mokhtar said in his first briefing particularly with the White House press corps which was also attended by Indonesian journalists. Later in the day Reagan will also meet with the Foreign ministers of ASEAN now present in Bali. In the meeting, the foreign ministers will present a formal memorandum to Reagan. Mokhtar however declined to reveal the memorandum's content because he said the U.S. President is the only person with the right to read it.

The foreign ministers will also present their common views to Reagan to bring to the economic summit of seven industrialized countries in Tokyo May 4-6. In particular they hope Reagan would bring their views on several specific points.

Mokhtar pointed out in connection to the problem of the drastic fall of oil price on the world market as well as to the falling prices of other commodities, to the problem of access to the markets of the industrialized countries and to the issue of protectionism. These problems are not helping the developing countries in their efforts to be self-reliant, Mokhtar commented. The ASEAN countries, he said, are endeavouring to be self-sufficient and to use foreign aid in the best manner. They are now no longer relying only on aid but are hoping more on trade and this is the right to inform Reagan, who is a champion of free trade, about it, said the Indonesian foreign minister.

On the topics of the Reagan-Suharto talks Mokhtar said they have similarities to those to be discussed by the ASEAN foreign ministers and Reagan. The U.S. wants to press on the question of the security of U.S. intellectual rights and on a better climate for the U.S. investments. Indonesia meanwhile wants a greater certainty on the launching of its new satellite because the satellites now still working will soon run out. If the new satellite was not launched in time, a critical situation will arrive for Indonesia which will hamper its capability to communicate with the outside world with adverse effects on trade and investments.

Other problems to be touched in the talks will include: the problem of double taxation and air communications as well as the Kampuchean issue in relation to the MIA (missing in action) problem, Mokhtar said.

Replying to various questions, Mokhtar said Indonesia rejects allegations about the abuses of human rights by the government in East Timor as unfounded.



He pointed out that in the last three years various international organizations, including the UNICEF, human rights bodies and the churches, had been given access to East Timor, including the region's interior, to observe the true situation. Journalists had also been given similar access. "We leave it to them to give their accounts on the real condition," he said. The government had also provided a list of people detained and those later released for lack of evidence. All the actions of the government in East Timor have been taken according to the law, he added.

Asked on the banning of two Australian journalists from joining the White House press corps for the purpose of covering Reagan's visit to Bali, Mokhtar referred to the strong reaction arising among the Indonesian public against a recent article in the Australian press defaming the Indonesian head of state.

As to Reagan's statement, that the wind of freedom is blowing in the Pacific, he said it is true that the wind is blowing but people are free to like it or not.

"People don't like the wind. If a hurricane blows, people don't like it," he said smiling to the laughter of the journalists. He added that both are free, the writer and the reader. "You are free to write but readers are also free whether to like it or not." He explained that the White House had been informed that the two Australian journalists would be refused admission to Indonesia before they tried to come to Bali.

When asked on the question of the communist threat, such as from Vietnam, Mokhtar replied Indonesia does not have to be told by anyone of the threat. The communists had tried to seize power in Indonesia twice, in 1948 with the help of international communism, and in 1965 with the help of Communist China. But Indonesia believes that in the developing countries the danger does not come in big battleships from the outside, but in the form of communist effort to destabilize a country from the inside. To fight the danger, he added, the government should work for economic development to raise the welfare and to give hope to the people. The poor rural conditions, which is the breeding ground for communism, have to be improved.

As to Vietnam, he explained that it is no longer as strong as it was in 1975 when it gained victory against the U.S. in the last six years, it has dissipated its military strength. It is now bogged down in Kampuchea. It has also dissipated the political goodwill it got when it won over the U.S. military six [as received] years ago.

Concerning the communist threat, as far as the developing countries such as Indonesia are concerned, it is a question of economic and rural development and later after economic development has been achieved it will also be a question of "political participation" by the people, Mokhtar stressed. Questioned on terrorism and Al-Qadhdhafi, Mokhtar strongly said that Indonesia opposes all kinds of terrorism. "We have no mercy on terrorism," he emphasized. As proof he cited the Indonesian military action against the terrorists that tried to hijack the Garuda airliner "Woyla" in the country met the same fate. Referring to Al-Qadhdhafi, he said he also had difficulty understanding the man. But he went on to say that to punish the terrorists what you have to do is go after them, not to attack any country. "When you attack a country there will be risks involved" he concluded.

## Sitthi on Meeting With Shultz

BK010101 Bangkok THE NATION in English 1 May 86 pp 1, 2

[By Somphong Kittinaradon and Phana Chanwirot]

[Text] Bali, Indonesia -- Deputy Prime Minister Sitthi Sawetsila yesterday welcomed a U.S. announcement on Kampuchea which strongly implies its support for a Khmer peace initiative. Sitthi told Thai reporters that he welcomed the U.S. political move during a 50-minute meeting with US Secretary of State George Shultz at the security-tight Nusa Dua Hotel in this tourist resort last night. "I told him it's good (for the US to come up with the move)," he said.

The U.S. statement released here yesterday referred to the eight-point proposal by the Coalition Government of Democratic Kampuchea (CGDK) as one which draws extensively on the previous ASEAN proposals. Without specifically mentioning U.S. support for the Khmer initiative, the nine-point statement expressed support for the key elements in the Khmer plan. It said: "It (the Khmer plan) also goes a step further to meet Vietnam's concerns by agreeing to talk directly with the Heng Samrin government and allow phased withdrawal of Vietnamese troops."

"The United States has long supported ASEAN's efforts. We favour negotiations among the concerned parties, a ceasefire, the withdrawal of Vietnamese forces, UN supervision and observation and free elections," it added.

In the light of the well-known U.S. grudge toward the Khmer Rouge, the statement said that the question of the Khmer Rouge returning to power does not apply under the latest Khmer proposal as, given a free choice, the Khmer people would reject the murderous Khmer Rouge. It also took to task Hanoi for abrupt dismissal of the Khmer proposal, describing Vietnam as the primary obstacle to a political settlement, and urged the Vietnamese to reconsider ASEAN proposals and pursue real negotiations to solve the Khmer conflict. The statement was obviously a response to a call from the ASEAN foreign ministers for a U.S. support for the eight-point proposal.

Sitthi said that ASEAN ministers would like U.S. President Ronald Reagan to continue raising the Kampuchean issue in his second summit with Soviet leader Mikhail Gorbachev. He said he expressed gratitude for the reference to the issue in the first U.S.-USSR summit last year.

Sitthi said he discussed with Shultz international terrorism worldwide. Sitthi said he believed Shultz was not angry with Thailand's vote in the UN Security Council to condemn the use of force against international terrorism. He said the U.S. air attack on Libya was ill-timed for it coincided with a meeting on the Non-aligned Movement.

Shultz told Sitthi he was sorry that he failed to arrange for a meeting between Sitthi and Reagan during the Bali visit. Sitthi said he would use the time of shaking hands during the meeting today between the president and ASEAN foreign ministers to mention the Thai concern with the Farm Act. Shultz told Sitthi that he was concerned with the impact of the U.S. Farm Act on Thailand and would do all he can to find a solution to the problem. Sitthi met Shultz for 50 minutes in the late afternoon here and the Secretary of State made opening remarks on the issue of the Farm Act. Sitthi quoted Shultz as saying that the U.S. should not be solely blamed for passing the Farm Act since it was the European Community which has first started the huge farm subsidy programmes. Shultz was quoted as saying that the U.S. did not know what to do and had to respond.

Shultz said the issue should be brought up before the GATT. The Secretary of State said that he read an article in the ASIAN WALL STREET JOURNAL blaming the adverse impact on Thailand on the US Government. "We will find ways of resolving this matter (for Thailand). The president is also concerned," he was quoted as saying.

Sitthi said he told Shultz that Thailand did not put the blame on the administration and he thanked the U.S. for helping resolve the problems such as the Jenkins Bill and the textile embargo together. "I am responsible for the Ministries of Agriculture and Commerce which must help alleviate the plight of the farmers," Sitthi said. He said rice traders would always survive and not suffer losses. Sitthi said the good relations with the U.S. must continue.

#### Rithauddeen-Shultz Meeting

BK010733 Kuala Lumpur BERNAMA in English 0721 GMT 1 May 86

[By Osman Taib]

[Text] Denpasar, May 1 (BERNAMA) -- Malaysia has taken up the United States the case of some 3,000 refugees who are stranded in Third World countries, Foreign Minister Tengku Ahmad Rithauddeen said Thursday. He said this was one of the issues he had raised at a bilateral meeting with U.S. Secretary of State George Shultz here Wednesday. Tengku Rithauddeen had told Shultz that most of the refugees have been in Malaysia for the past three or four years and this ran counter to an earlier understanding that Malaysia would provide only temporary refuge for the "boat people." Shultz assured the Malaysian foreign minister that the U.S. was taking steps to solve the refugee problem.

A special committee of the U.S. Congress has submitted to him a report which contains recommendations that could help solve or at least reduce the problem, he added.

Shultz and Rithauddeen also discussed the narcotics problem and agreed that there should be greater cooperation between the two countries in efforts to fight the drug menace. Shultz said the forthcoming visit of Nancy Reagan to Malaysia is aimed at this objective (combating drug abuse). While in Malaysia Mrs Reagan will discuss the matter with the Malaysian prime minister's wife Dr Siti Hasmah.

Tengku Rithauddeen also said he had told Shultz that American investments in Malaysia were far below that of Singapore and Japan. American investments in Malaysia totalled only U.S. \$680 million compared to Singapore's U.S. \$1.8 billion and Japan's U.S. \$1.2 billion. The minister said he had assured Shultz that Malaysia was prepared to have a separate agreement for American investors if they felt that the existing Malaysian legislations were inadequate to protect their interests. Shultz promised he would seriously look into the matter.

Tengku Rithauddeen also briefed the U.S. secretary of state on the problems faced by Malaysia as a result of depressed commodities and oil prices and discussed ways of overcoming the situation. Shultz said the U.S. finance secretary [as received] had finalised a programme, known as the Baker Plan, to help developing countries overcome recession, especially in debt servicing.

At the close of the meeting between the two, Shultz assured Tengku Rithauddeen that the United States would seriously consider the issues raised by Malaysia.



## Mokhtar-Shultz Talks

BK301245 Jakarta Domestic Service in Indonesian 1200 GMT 30 Apr 86

[Text] The United States will pay special attention to the launching of the Palapa B-2-P communications satellite belonging to Indonesia. Foreign Minister Mokhtar Kusumaatmaja said this to newsmen after talks with U.S. Secretary of State George Shultz in Nusa Dua this afternoon, adding that the matter would be discussed in detail at another meeting tomorrow.

Mokhtar also disclosed that he had discussed the CGDK's 8-point proposal with his U.S. counterpart. The United States supports ASEAN's stand on the said proposal, but disagrees with the Khmer Rouge's past actions. The foreign ministers also discussed copyright laws and the Indochinese refugees. Indonesia hopes that the United States will continue its efforts to resettle the refugees. Mokhtar pointed out that the refugees no longer leave their countries by boat but on land through Cambodia and Thailand. The U.S. secretary of state then held talks with the other five ASEAN foreign ministers at the same venue.

ASEAN TO SUBMIT MEMORANDUM TO TOKYO SUMMIT

BK300935 Kuala Lumpur BERNAMA in English 0906 GMT 30 Apr 86

[From Osman Taib]

[Text] Denpasar, April 30 (OANA-BERNAMA) -- ASEAN will submit a memorandum to the coming Tokyo economic summit of industrialised countries listing the grouping's economic concern and issues that member countries would like the leaders to take into account. ASEAN sources said a similar memorandum will be presented to President Reagan when he meets the ASEAN foreign ministers here on Thursday.

Reagan, who is here on a three-day working visit, has said that he would speak for the causes of developing nations at the summit which is scheduled to begin on Saturday.

The sources said one key issue which ASEAN will address is that of the current economic plight of developing countries as a result of declining prices of primary commodities and oil.

The situation had critically affected the economies of ASEAN countries which are also facing increasing difficulties in exporting their manufactured products due to the protectionist policies of the West. ASEAN countries object to the introduction of restricted elements in the existing bilateral textile agreements and calls on the developed nations to remove them during the current negotiations for the renewal of the bilateral textile agreements and the Multi-Fibre Agreement (MFA). The sources said the memorandum calls on the developed nations to reverse the protectionist trend and to adopt policies which should be consonant with intentions to liberalise international trade as envisaged in the new round of multilateral trade negotiations (NRMTN). ASEAN will also be calling on the developed nations to avoid solutions to their trade problems which may have adverse spill-over effects on the exports of the ASEAN countries.

As the NRMTN will be one of the topics at the Tokyo summit, ASEAN is stressing on the importance of including issues of interests to ASEAN on the agenda of the new round.



This was to ensure that the new round would lead to greater and more secured market access for the products of export interest to ASEAN, the sources said.

The memorandum also touched on investments, transfer of technology and financial resources.

Decreasing foreign investments in the ASEAN region is said to be one of the causes of slowing development in ASEAN member countries. The sources said the ASEAN foreign ministers were expected to brief President Reagan on the problems faced by ASEAN member countries at Thursday's meeting here.

Reagan had earlier indicated that he would oppose strongly and moves towards greater protectionism at the Tokyo summit and that he would press for a new round of multi-lateral talks in September under the auspices of the General Agreement on Tariffs and Trade.

NAKASONE TO SEEK ACCORD ON NEW TRADE ROUND

OW301211 Tokyo KYODO in English 1150 GMT 30 Apr 86

[Text] Tokyo, April 30 KYODO -- Japan will urge other participants at the Tokyo summit of seven major industrial countries to agree on the launching of a new round of multi-lateral trade negotiations in September, government officials said Wednesday. The officials said Prime Minister Yasuhiro Nakasone will take up the issue when he meets leaders of six other countries while the summit meeting is in session from May 4-6, especially Jaques Delors, president of the European Community Commission, who he will meet Thursday.

In November last year, major countries agreed at a ministerial meeting of the General Agreement on Tariffs and Trade (GATT) in Geneva that the GATT ministerial meeting will be held in Punta del Este, Uruguay, in September this year to discuss the launching of the new trade round. But preparations have been delayed over disagreement among developed countries and between developed and developing countries on the scope of negotiations and other aspects, according to the officials. Some European countries, especially France, appear to be concerned that their farm price support policies may be criticized in the new round negotiations.

The officials expect hard going for Nakasone's efforts to have the new round started at the Punta del Este meeting.

More on Trade Talks

OW010259 Tokyo KYODO in English 0252 GMT 1 May 86

[Text] Tokyo, May 1 KYODO -- Prime Minister Yasuhiro Nakasone indicated Thursday he will work to win the agreement of other participants at the Tokyo summit to the start of a new round of multilateral trade negotiations in September.

"It's a point" he said when asked by reporters whether any commitment on the start of trade talks will be made in an economic declaration to be issued at the end of three days of summit discussion. "Let me try and see," Nakasone added.

Japan and the United States are pushing new trade negotiations in order to stem growing protectionism, but France is reportedly reluctant to join -- at least for the present.

New trade liberalization talks will be a major subject of discussion at the summit beginning Sunday. The Japanese newspaper MAINICHI SHIMBUN said in a front-page article Thursday that the summiteers will confirm the start of new international trade talks in September in the economic declaration.

SUMMIT LEADERS TO DISCUSS LIBYAN TERRORISM

OW010845 Tokyo KYODO in English 0825 GMT 1 May 86

[Text] Tokyo, May 1 KYODO - Libya is likely to be put on trial at the Tokyo summit, as leaders of the seven industrialized nations discuss how to combat international terrorism, a senior Foreign Ministry official indicated Thursday. "Libya will be taken up in connection with international terrorism," said the Foreign Ministry official, who spoke on condition of anonymity.

Japanese officials have previously said that terrorism will be on the agenda during the three-day summit, but this is the first time that they have pointed to Libya as a specific subject.

"We (now) have a better understanding of Libya's involvement in terrorism," said Foreign Ministry spokesman Yoshio Hatano Thursday in his regular weekly briefing to foreign correspondents. He said the change of the Japanese position follows briefings "in the past several days" from the United States and West European countries, implicating Libya as a supporter of international terrorism. Hatano also implied support for the U.S. air raid on Libya on April 15, saying the United States "has its own good reasons" for launching the attack. Japan will support international cooperation against terrorism but may not necessarily follow precedents taken by Western Europe in imposing sanctions against Libya, he said.

"Our relations with Libya are very different from those of European countries and the United States," he said, noting that Japan has very limited economic or diplomatic ties with Libya.

In a separate briefing to foreign correspondents on the political subjects that will be raised during the summit, the Foreign Ministry official said he is not sure whether the summit leaders will take up the Soviet nuclear plant accident. "That has got to be discussed when the (summit) leaders come" to Tokyo, he said, while acknowledging that both Prime Minister Yasuhiro Nakasone and U.S. President Ronald Reagan have shown "some interest" on the subject.

Other political topics that seem certain to come up for discussion at the summit include East-West relations, regional problems, particularly those related to the Korean peninsula, Afghanistan, the Middle East and Southeast Asia, the official said. The official, however, denied that political discussions may "overwhelm" the summit agenda. "Politics is not the main issue," he said, insisting that the participants will devote most of their time to economic problems.

#### 'Ready To Cooperate'

HK010958 Hong Kong AFP in English 0953 GMT 1 May 86

[Text] Tokyo, May 1 (AFP) -- Japan has conceded that Libya might be involved in terrorism and is ready to cooperate in international efforts against terrorism, a Japanese Foreign Ministry spokesman said here Thursday. However, spokesman Yoshio Hatano said the Japanese Government had still neither appraised U.S. air raids on Libya a fortnight ago in retaliation for allegedly Libyan-inspired terrorist attacks, nor decided whether to take action against Libya. Mr Hatano said that the United States and European countries had recently furnished details to the Japanese, adding that Japan now had "a better appreciation of Libyan involvement in terrorism." The spokesman did not elaborate.

The United States had explained that it had acted in self-defence for "its own good reasons," Mr Hatano said, but he declined to pass judgment on the U.S. action. He said Japan was ready to cooperate in international efforts to counter terrorism, but would not say whether its cooperation would extend to sanctions.

Such efforts will be a major item on the agenda for the summit meeting of leaders of the big seven Western industrialised nations, beginning here on Sunday, according to Japanese officials.



ITALIAN PRIME MINISTER CRAXI ARRIVES 1 MAY

OW010811 Tokyo KYODO in English 0801 GMT 1 May 86

[Text] Tokyo, May 1 KYODO -- Italian Prime Minister Bettino Craxi arrived here Thursday as the first of the six foreign leaders of the developed world to attend the Tokyo summit. Accompanied by wife Anna and Foreign Minister Giulio Andreotti, Craxi flew to Tokyo's Haneda Airport in the evening.

Craxi is visiting Japan as a government guest before attending the May 4-6 Tokyo summit. He is scheduled to leave Japan after an imperial court dinner on the third day of the annual summit conference Tuesday. Emperor Hirohito will receive Craxi at the imperial palace Friday morning. He will meet Prime Minister Yasuhiro Nakasone and give a press conference later in the day.

Foreign Minister Andreotti will meet his Japanese counterpart Shintaro Abe on Friday, the first consultation between foreign ministers of the two countries since in Rome in January 1983. On Saturday, Craxi will meet U.S. President Ronald Reagan who is scheduled to arrive in Tokyo from Indonesia Friday night.

Jacques Delors, European Community Commission president, Canadian Prime Minister Brian Mulroney, and West German Chancellor Helmut Kohl are due to arrive in Tokyo Saturday.

British Prime Minister Margaret Thatcher, French President Francois Mitterrand and Dutch Prime Minister Rudolph Lubbers (EC Commission chairman) will come to Tokyo Sunday.

French Prime Minister Jacques Chirac will arrive Monday, the last foreign leader to fly in to Japan, for the summit.

NAKASONE TO HAVE SEPARATE SESSION WITH CHIRAC

OW010713 Tokyo KYODO in English 0707 GMT 1 May 86

[Text] Tokyo, May 1 KYODO -- Prime Minister Yasuhiro Nakasone will have a separate session with French Prime Minister Jacques Chirac on Monday, Foreign Ministry sources said Thursday. Nakasone is also scheduled to meet French President Francois Mitterrand on Sunday.

NAKASONE, DELORS TO DISCUSS JOINT COMMITTEE

OW010255 Tokyo KYODO in English 0219 GMT 1 May 86

[Text] Tokyo, May 1 KYODO -- Japan and the European Community (EC) are to establish a joint trade committee to study ways to correct the bilateral trade imbalance, government sources said Thursday. The sources said Prime Minister Yasuhiro Nakasone and Jacques Delors, president of the EC Commission, will agree on the establishment of the Japan-EC monitoring committee when they meet in Tokyo Saturday on the eve of the seven-nation summit May 4-6.

The committee will probably hold its first meeting in June, they added.

Nakasone proposed such a group when Delors visited Tokyo in January, according to the sources, who added that Deputy Foreign Minister Reishi Teshima and Leslie Fielding, EC commissioner for external relations, will serve as chief delegates.



ABE TO SEEK SHULTZ HELP ON DOLLAR-YEN ISSUE

OW301255 Tokyo KYODO in English 1248 GMT 30 Apr 86

[Text] Tokyo, April 30 KYODO -- Foreign Minister Shintaro Abe believes the Japanese yen has gained enough in value against the U.S. dollar and "something has to be done" about it, a highly placed ministry source said Wednesday. The source said Abe will seek cooperation from his U.S. counterpart, Secretary of State George P. Shultz, in reversing the trend in a meeting Saturday here just before the seven-nation economic summit. The dollar closed at 168.10 yen on the Tokyo exchange market Wednesday.

"U.S. President Ronald Reagan will express sympathy for the hardship that the current yen-dollar exchange rate is causing to the Japanese people," the source quoted Abe as saying. Speaking on condition that he not be named, the source said Prime Minister Yasuhiro Nakasone is likely to win little sympathy from Reagan despite their personal friendship, called the "ron-yasu" relationship.

"Something has to be done about the yen's sharp appreciation against the dollar," Abe was quoted as saying. "I raise the issue in my meeting with Mr. Shultz more frankly than Finance Minister Noboru Takeshita (in his talks with Treasury Secretary James Baker)."

Foreign Ministry officials, however, noted that both the U.S. and West European countries are welcoming the yen's surge in value against the dollar and are in no mood to stem the tide.

Abe also plans to discuss with Shultz new sectoral talks between Japan and the United States, although the foreign minister himself has conceded that the Tokyo government has not arrived at a conclusion on any particular industry on which the two sides should initiate such sectoral negotiations, the source added. Trade in semiconductors is another key topic Abe and Shultz will discuss during their talks.

SUGGESTIONS ON RESTRUCTURING ECONOMY APPROVED

OW010349 Tokyo KYODO in English 0217 GMT 1 May 86

[Text] Tokyo, May 1 KYODO -- The Cabinet Thursday approved an outline of programs to promote restructuring of Japan's export-oriented economy, encouraging the nation to work less and to take more holidays. An outline presented to the day's Cabinet meeting by the council for the promotion of economic structural adjustment said the government will "guide" and "support" efforts by Japanese companies to adopt a five-day work week and to allow workers to take more than a week of summer vacation beginning this year.

The council, chaired by Chief Cabinet Secretary Masaharu Gotoda, has been working on the outline for the implementation of measures contained in a report released April 7 by a private advisory body to Prime Minister Yasuhiro Nakasone.

The advisory panel, under former Bank of Japan Governor Haruo Maekawa, called for a reduction in working hours on the theory that this would give the Japanese more time to spend money, thus helping to increase imports and reduce Japan's trade surplus. The government approved the advisory panel's suggested national goal of "steadily reducing" Japan's balance of payments surplus to make the country fit better into the international community.

The council outlined short-, medium- and long- measures to make the nation's economic structure less dependent on exports.

Apart from the measures on work hours, short-term measures include cutbacks in interest rates on credits by the governmental Export-Import Bank for Japan's direct investment overseas and for imports of manufactured goods. The government will "positively" extend financial cooperation to the World Bank and other world financial organizations, according to the outline. It also said Japan is prepared to remove its tariffs on industrial products along with other industrial countries.

Medium and long-term measures include a review of the labor standards act in fiscal 1986 to reduce maximum legal working hours and to raise the minimum length of annual paid holidays. The council did not make any specific commitment to the trade issue concerning Japan's liberalization of agricultural imports. The government said it will make efforts to improve market access in accordance with the General Agreement on Tariffs and Trade (GATT).

On the controversial proposal to review the present tax exemption system for small savings, known as the "maruyu" system, the government will wait for the results of a review by the governmental tax system council which will file a report in fall this year.

A similar stance was adopted on a proposal to reduce the nation's coal production. The government will wait for a report to be released this summer by the council on the coal mining industry.

On official development assistance (ODA), the government said it will make efforts for early implementation of the present program aimed at doubling official aid to developing countries by 1992.

#### FOREIGN MINISTRY APPROVES SOLOVYEV AS USSR ENVOY

OW010411 Tokyo KYODO in English 0405 GMT 1 May 86

[Text] Tokyo, May 1 KYODO -- Japan has accepted a Soviet proposal to send Nikolay Solovyev, an expert on Japanese affairs in the Soviet Foreign Ministry, as the new Russian ambassador to Tokyo, a senior Foreign Ministry official said Thursday. Solovyev, head of the Soviet Foreign Ministry's second Far East division, succeeds Pyotr Abrasimov who is expected to leave Tokyo for home next week. Abrasimov has been at his Tokyo post since March last year.

Solovyev, 54, came to Japan in January as head of an advance mission for Foreign Minister Eduard Shevardnadze's official visit to Japan. Once a Soviet Embassy staffer here, the new Soviet envoy is scheduled to take up the Tokyo post later this month, Foreign Ministry officials said.

1 MAY SR-71 INFILTRATION LABELLED 'ESPIONAGE'

SK010925 Pyongyang KCNA in English 0919 GMT 1 May 86

[Text] Pyongyang May 1 (KCNA) -- The U.S. imperialist aggressors from 10 hours 39 minutes to 47 minutes May 1 infiltrated the "SR-71" high speed, high-altitude reconnaissance plane deep into the sky above the territorial waters east of Kosong on the east coast of Korea and let it fly up to the sky above the coastal sea off Sonbong County, North Hamgyong Province, committing espionage against the northern half of Korea.

Such aerial reconnaissance by the enemy numbered nearly 10 after mid-April alone. This tells that even after the aggressive "Team Spirit 86" joint military exercises the U.S. imperialists keep heightening the tension on the Korean peninsula.

CPRF DEMANDS U.S. EXIT SOUTH, CHON STEP DOWN

SK301100 Pyongyang KCNA in English 1031 GMT 30 Apr 86

[Text] Pyongyang April 30 (KCNA) -- The United States must stop encouraging the South Korean puppets, clearly mindful that it will be unable to save Chon Tu-hwan the puppet from destruction as it failed to save the Philippine dictator Marcos, and quit South Korea at once, taking along its nuclear and other weapons for aggression. The Committee for the Peaceful Reunification of the Fatherland says this in an indictment dated April 30 exposing the criminal acts of the U.S. imperialists and the Chon Tu-hwan group.

The indictment says that South Korea is a most typical U.S. colony, not next to the Philippines. [sentence as received]

The U.S. imperialists who have completely seized political domination over South Korea, further strengthening their rule over there by crafty means of neo-colonialist rule, not only keep hold on all personnel rights including the nomination of the supreme ruler, but define the direction of the domestic and foreign policies of the puppet government and supervise and control their drawing up and execution from A to Z, it points out.

In military affairs, too, South Korea is more tightly under the control of the United States than the Philippines, the indictment says, and continues: The U.S. imperialists have thoroughly turned the whole area of South Korea into their aggressive military base, completely seizing the prerogative of the supreme military command under military "agreements" and "pacts".

It notes that the U.S. imperialists have turned South Korea into a market for their surplus commodities and an area for the investment of their capital by dint of various subjugating and unequal economic "agreements" concluded with the South Korean puppets and so-called "aid" and led South Korea's national industry to total bankruptcy.

Pointing out that the present military fascist dictatorship of South Korea is more truculent than the Marcos dictatorship of the Philippines, it says that the traitor Chon Tu-hwan seized the power of the army by staging the "December #12 army purge coup d'etat" with the mobilisation of huge armed forces under the zealous manipulation and control of the U.S. imperialists and put down all the democratic elements at the point of the bayonet through the May 17 fascist violence to seize all powers.



Saying that the day is not far off when a second Philippine incident will take place in South Korea, it stresses: The Chon Tu-hwan military fascist clique must immediately step down, as demanded by the South Korean people, mindful that with nothing can they bar the powerful trend of history dynamically advancing to independence and democracy.

The indictment expresses the belief that the governments, political parties, organisations and peoples of the peace-loving countries of the world will continue to voice firm solidarity with the South Korean people in their just struggle for independence, democracy and reunification.

#### ECONOMIC CONSEQUENCES OF OLYMPICS TO BE 'SERIOUS'

SK302216 Pyongyang KCNA in English 1514 GMT 30 Apr 86

[Text] Pyongyang April 30 (KCNA) -- The South Korean puppets are turning the Olympiad into a political gambling place.

The puppet clique is advertising that South Korea will be an "advanced country" and the life be "improved" after the Olympiad is hosted in South Korea.

It is clear, however, that if the Olympic Games are held in South Korea, it will produce serious consequences, not "growth" or "improvement".

The puppet clique plans to squander a total of 8,000 million dollars, adding together the money to be spent in the period of the games and 6,800 million dollars needed for the preparations of the Olympic Games.

This is a reckless expenditure which will result in economic bankruptcy and living difficulties.

As of the end of last year, the foreign debts of South Korea reached 52,670 million dollars.

The puppet clique has to pay 8,100 million dollars this year as principal and interest of the fabulous foreign debts, 8,700 million dollars in 1987 and 9,600 million dollars in 1988.

It is as clear as noonday what the South Korean economy will look like, if the puppet clique allocates a colossal amount of money to the Olympic Games under such conditions.

If the Chon Tu-hwan puppet clique spends the fund introduced from foreign countries and collected from the people in hosting the Olympiad in disregard of the gloomy reality, conditions will become more critical for the economy and the lives of the people go from bad to worse.



SKNDF VIEWS STATUS OF SOUTH STUDENT MOVEMENT

SK231200 (Clandestine) Voice of National Salvation in Korean to South Korea 1000 GMT  
19 Apr 86

["Text" of article published by the Central Committee of the South Korean National Democratic Front [SKNDF] "in April" in Seoul: "The Present Status and Direction of the Student Movement in South Korea" -- read by announcer]

[Text] The student movement in South Korea has decorated a brilliant chapter in the history of the struggle of the South Korean masses for national liberation. Our patriotic students marked brilliant exploits in long bloody struggle against outside aggressor forces and the nation-selling group and fully demonstrated their indomitable spirit. The passionate South Korean students are vigorously advancing the patriotic struggle of our masses as the vanguard of the anti-U.S. national salvation movement.

Today's situation in which the struggle between the national patriotic forces and antinational groups is growing to the point of explosion is inspiring the passionate students and masses to a new sacred national salvation struggle. At this urgent moment, the SKNDF publishes this article in the belief that the ranks of our youths and students who are courageous toward justice will brilliantly fulfill their missions assigned by history.

1. From the first day of its embarkation, the student movement in South Korea made a remarkable development with the sense of important mission amid persistent struggle. The 15 August national liberation was a historic event which brought forth a ray of national revival.

However, the U.S. occupation of South Korea and colonial domination, replacing the Japanese imperialists, forced the student movement in South Korea to embark again on a new road of the national salvation struggle. The pan-national anti-U.S. national salvation movement of the South Korean masses who rose in a fierce struggle against the U.S. military rule and policy for national division was a new starting point of the student movement in South Korea.

Brilliant exploits of our passionate students who courageously fought hand in hand together with the working class have been marked in every chapter of the fierce anti-U.S. national salvation movements including the general strike in September 1946, the October mass resistance, the 22 March general strike, 7 February national salvation struggle, and the 10 May struggle against the unilateral election.

The student movement in South Korea gradually entered the stage of new development in the late 1950's by overcoming arduous trials on the road of advance. The 19 April Popular Uprising in 1960 was a historic milestone which effected a new turning point in the history of the South Korean masses' struggle for new life, new politics, and new system. Those who raised the first beacon fire of the 19 April uprising that vibrated the entire world were passionate and patriotic students. Those who fought most courageously as the vanguard of the struggle were the ardent students. The patriotic students overthrew the Syngman Rhee dictatorial regime in the end and made a first crack in the U.S. colonial rule by carrying out the bloody devoted struggle worthy of masters of the uprising. Thus, they won the first victory in the history of the South Korean mass movement since the 15 August national liberation.

During the uprising, our patriotic students fully demonstrated their enormous potentials and peerless vitality at home and abroad. Thus they were spotlighted to be a brilliant generation.

Through the 19 April uprising, the people realized that if the student movement in South Korea is carried out in unity with the masses from all walks of life, it could destroy any colonial stronghold. Thus, the movement entered a new stage of persistent development.

Even under the repression by the military dictatorship which emerged after the 16 May military coup, the young South Korean students marched toward Chongwadae under the support of the patriotic masses after embarking on the square of the 24 March struggle and on the streets of the 3 June uprising. Even amid the frenzy of the Yusin in the 1970's, they rose in the October anti-Yusin Struggle and in the 3 April uprising, highly raising the banner of democracy and patriotism.

The democratic resistance in Pusan and Masan in October 1979 was a historic heroic act of passing a stern verdict on the cursed Yusin Fascist rule of Pak Chong-hui. The resistance in Pusan and Masan amply proved once again the historical truth that the student struggle expanded into a pan-national resistance of the masses of all strata is ever-victorious, and the fate of the dictator leading a life against the nation and dependent on foreign forces is doomed.

The democratic resistance led by the students in Pusan and Masan in October was the shining conclusion of the anti-Yusin struggle in the 1970's and a breakthrough in the democratization movement in the 1980's. By the democratic resistance that brought about the collapse of the Yusin rule, the colonial fascist system faced a crisis of wreckage, and the masses' heightened sense of resistance began to swirl toward a center, horribly portending the danger of explosion.

The popular uprising in Kwangju in May 1980 was the explosion of the resentment of the students and the masses long accumulated under the U.S. colonial fascist rule, and it was the violent armed resistance of the masses of the largest scale in modern oriental history. By the popular uprising in Kwangju led by the students, the darkness of the South Korean society saw the city of light and the fortress of freedom emerge high on the hill of hope, and the city with a population of 800,000 people was defended for as long as 10 days by the brave armed people.

The resistance of Kwangju was a big turning point that brought about a change in the mass movement of the South Korean masses from the antifascist struggle for democratization to the anti-U.S. struggle for independence. With the heroic resistance as a turning point, the true color of the United States not as an angel but as a devil and of Chon Tu-hwan as a murderer has been exposed in broad daylight in South Korea, the pro-U.S. flunkeyism has crumbled among the people, and the anti-U.S. struggle for independence has begun to develop vigorously as a main front in the mass movement of the students and the masses.

The blaze of the anti-U.S. struggle that began to burn with the struggle of the arson at the U.S. Cultural Center in Pusan after the popular uprising in Kwangju gained greater intensity and scope as it spread to the struggles of burning a U.S. flag by the Kangwon University students, opposing Reagan's visit to South Korea, and seizing the USIS building in Seoul committed on the 5th anniversary of the Kwangju uprising.

The student movement in South Korea today is entering a stage of higher advance toward a new victory under the slogan of "national reunification, liberation of the masses, and winning democracy."

Flustered by the active advance of the students to regain the national sovereignty trampled on by foreign forces, to realize the new politics of the alienated masses, and to realize democracy trampled on by fascism, the military fascist ring is now conducting a large-scale fascist frenzy to exterminate the student movement at its source. However, they cannot conquer the ideal of justice or obliterate the student movement with guns and bayonets. The patriotic students are launching into an anti-U.S. struggle in the heart of Seoul, burning the U.S. flag, raising aloft the sammin slogan, spreading the enthusiasm in the antidictatorship struggle, resisting the fascist suppression across the country. They are also conducting the struggle for the right to exist in plants, rural areas, and poverty-stricken villages full of resentment, implanting a live coal in the hearts of the masses.

They are making the enemy tremble with fear, going among the masses when they are expelled from college, resisting with firm faith and will when they are imprisoned behind bars, and condemning aggression and treacher when they are put on trial at court.

The true features of the student struggle in South Korea are the stronger resistance in the face of harsher suppression, stronger resistance in the face of imprisonment, and stronger resistance in the face of execution [chohyong].

The South Korean student movement has its own important characteristics in its development. The characteristics are, in the first place, that the South Korean student movement is consistent with the anti-imperialist patriotic movement. The South Korean student movement is the movement for national salvation developed under the most vicious colonial fascist dictatorship on earth. Although there are not a few countries in the world dominated by neocolonialism, there are no countries like South Korea in which the foreign aggressive forces are occupying the entire land as their military base and in which a colonial fascist dictatorship has continued for as long as 40 years.

The U.S. colonial rule in South Korea is the most wicked and vicious system of oppressing the nation, the most atrocious physical oppressive system, and the most vicious system for national division. Therefore, unless the U.S. colonial rule in South Korea is terminated, one should not expect even an elementary improvement in campus problems, still less the independence of the nation and the masses.

Because of this, the South Korean student movement could not but begin, while regarding the anti-U.S. and antidictatorial struggle, which is directly linked to the destiny of the country and the nation, as its basic objective and action program; and could not but advance, while regarding national independence from subordination, the masses' freedom from suppression, and national reunification from division as its basic assertions and slogans. Herein lie the inherent characteristics of the South Korean student movement, which are different in terms of quality from the movement to improve living conditions and the movement for the democratization of campuses, which are being conducted in capitalist countries; which are different in terms of dimension from the movement to reject foreign goods and the student movement against racism, which are being conducted in Third World countries; and which are different in terms of content from the lawful antiwar movement and the movement to improve treatment in a limited manner, which are being conducted in various Western countries. The fact that the South Korean student movement is continuously developing in an upward manner on the basis of the deeply rooted tradition attained through struggle is one of its important characteristics.



The South Korean student movement is not a temporary movement that is conducted in step with the simple trend of the times; not an intermittent movement that appears periodically; and not a sentimental movement that is heightened under the influence of the surrounding environment. The South Korean student movement is deeply rooted in the proud, anti-imperialist, patriotic tradition and with this as nurture, has continuously developed in an upward manner.

The anti-imperialist, patriotic tradition, which was formed in the flames of the proud anti-Japanese struggle for national liberation, is the fundamental cornerstone and historical foundation of the South Korean student movement. Here are accumulated the ideological and spiritual pillars for the development of the mass movement, the abundant lessons from struggle, and brilliant achievements. This is a valuable treasure and the vital force for the upward development of the South Korean student movement and is a guarantee for the continuation of the anti-imperialist, patriotic struggle.

Through the long anti-U.S. and antifascist struggle for national salvation, which has been waged in this vein, the anti-imperialist, patriotic tradition of the South Korean student movement has been further developed and has become abundant in content.

While putting the persistent anti-U.S. and antifascist struggle and the movement for the reunification of the fatherland into practice, the South Korean student movement has accumulated abundant experience and lessons, has developed an indomitable will, and has consolidated its determination for a sure victory. This has become valuable ideological and spiritual potential for the upward development of the student movement. The South Korean student movement, in particular, has come to enjoy a realistic guarantee for the powerful acceleration of the student movement by gathering, in the flames of the anti-U.S. and antifascist struggle, core elements possessing the anti-imperialist and patriotic spirit and strategy, and by gathering powerful *chuche*-type forces. Because it is based on this ideological, spiritual, and realistic foundation, which has been provided in the historical struggle, the South Korean student movement is continuously developing in an upward manner without collapse and stagnation, and is being heightened into an indomitable force like a phoenix. It is the South Korean student movement that is continuing and is constantly being heightened, while inheriting the deeply rooted anti-imperialist, patriotic tradition despite troubled upheavals.

Playing the guiding and leading role in the mass struggle for independence is another important characteristic of the South Korean student movement. The theory of the modern mass movement has limited the role of the student movement to the role of a bridge that is linked to the struggle by the workers and peasants for social reforms. However, beyond the role of a bridge, the South Korean student movement is playing the role of one which leads the overall mass struggle.

The South Korean students have always served as the dynamite that breaks through a reactionary phase and opens the phase of a mass struggle; as trumpeters who arouse the masses of all walks of life, including workers and peasants, into struggle; and as standard-bearers who take the lead in this struggle. It is nothing but the student movement that has set ablaze the flames of a mass struggle and has taken the lead in the mass struggle through self-sacrifice amid the reactionary phases of the 16 May military coup d'etat, the Yusin system, and the 17 May violence.

Also, the student movement of South Korea has played a leading and initiative role in pioneering the decisive phase of the mass struggle. The student movement has always been at the center of the historic events that have opened an important epochal phase in the mass struggle of the South Korean masses.



The student movement played a core role in toppling the Syngman Rhee dictatorial regime by developing the struggle against the 15 March rigged election into an all-out mass uprising, in causing the collapse of the fascist Yusin regime by stirring up the October Pusan-Masan democratic resistance, and in embroidering the Kwangju of May with a historic heroic epic. In addition, the student movement opened a new turning point in the anti-U.S. struggle. The new paths that the student movement of South Korea has pioneered in the history of the mass struggle of South Korea are the great pride of our fellow countrymen.

The student movement of South Korea constitutes a firm mainstream of the mass struggle of the South Korean masses, and is becoming a large river that will cause new high waves in the anti-U.S. and antifascist struggle. Because of the existence of the student movement, which has always most bravely advanced at the vanguard of the mass struggle, the history of the mass struggles of the South Korean masses has been incessantly recorded with a series of chapters with proud pages amid the heavy pressure of the colonial rule that has lasted for scores of years and the tyranny of the fascist rule; and the South Korean masses have determinedly lived and fought, dreaming for a hopeful tomorrow, amid immeasurably thick darkness. The flames of righteous struggle, which the South Korean students have set ablaze, have always served as a lamplight that has illuminated the darkness of South Korean history and as a banner that has bestowed courage and life onto the South Korean masses.

As pioneers who possess the sharpest sensibility and intellectual judgement capabilities of colonial intelligentsia, the patriotic youths and students of South Korea are the vanguards of national intellectuals who are highly personifying the consciousness of national independence before anyone else; great forces who distinguished unity resulting from the condition of collective campus life; and youths in their twenties who have the most hot-blooded, brave, and valiant fighting capabilities. With this consciousness and organizational and fighting capabilities, they occupy the dignified position of the hard-core unit of the struggle for national liberation in South Korea. As the hard-core unit, the youths and students of South Korea have attained proud accomplishments in the anti-U.S. struggle for national liberation. Also, their mission of being the hard-core unit is weighty. The student movement of South Korea is proud before the world, and its exploits and achievements in the sacred struggle for the independence of the national and the masses will be remembered forever in the history of our fatherland.

2. Today, the student movement of South Korea is placed at an important point at which it should recognize its historic mission again and newly leap forward.

An acute question, demanded for the development of the student movement of South Korea at present, is firmly establishing the guiding idea of the movement. The guiding idea of the mass movement is a fundamental guideline that indicates the direction of the movement and a torch light that illuminates the way of the movement. Only when it firmly establishes a correct guiding idea can the student movement accelerate a vigorous advance along a correct track without being entangled in any trend of ideas or strife among political factions.

The sammin slogan -- national reunification, liberation of the masses, and winning democracy -- with which the patriotic South Korean students came out is a precious ideological banner for a new upsurge in the student movement. The sammin slogan, embroidered in the banner of the student movement of South Korea, is mighty because it embodies the basic spirit of the idea of independence -- the trend of the thought of the times -- is just because it reflects the basic political ideology of modern society; and arouses sympathy from the masses because it speaks for the aspirations of the masses.

Therefore, the question of consummating the sammin slogan into the idea of the movement in conformity with the demands of the developing situation is emerging as a life or death question raised to the student movement of South Korea.

Our age is the era of independence. The basic idea of the era of independence is the chuche idea, a great theory to realize the independence of the nation and the masses. Only when it adopts the chuche idea as its guiding idea and consummates the sammin ideology on its basis can the movements of students and youths possess an ever-victorious ideological and theoretical weapon and fulfill its mission assigned before the times and the nation.

The way along which the student movement and the masses movement of South Korea should advance at present is a liberation struggle to realize national sovereignty. The struggle for national liberation is an inevitable mission raised in the colonial situation of South Korea. Without the struggle for national liberation, the independence of the country is inconceivable and national sovereignty cannot be restored. The struggle for national liberation is a life or death way out and the crux of the settlement of all problems.

Today, the student movement and the masses movement of South Korea are assigned the grave duty of carrying out the historic task of the anti-U.S. cause of independence, the antifascist cause of democratization, and national reunification along the path of the struggle for national liberation. The anti-U.S. cause of independence is a banner of the struggle for national liberation which the students and the masses should uphold. The goal for the anti-U.S. cause of independence is realizing liberation from subordination to the United States and political independence. Only when an end is put to the U.S. domination over South Korea and an independent national regime is established can the cause of making the South Korean society independent be carried into reality.

The antifascist cause of democratization is a fighting duty of the movement for freedom and civil rights at present which the students and the masses have consistently waged. The goal for the antifascist struggle for democratization is eradicating the military and fascist dictatorship and realizing democracy and civil rights. A forum for promoting genuine human rights and a broad way for developing society in a democratic manner lies in realizing the antifascist cause of democratization. Without the democratization of the South Korean society, the dignity of man is inconceivable and freedom and democracy on campuses cannot but be a fantasy.

National reunification is a sacred, patriotic, and nation-loving way along which the students and the masses should advance. National reunification is the unanimous long cherished desire of the masses and the supreme national task whose performance can be delayed no longer. The general goal for the movement for national reunification is reunifying the divided nation and firmly establishing national sovereignty throughout the country. An unchanging way for national reunification is independently and peacefully realizing national reunification by pooling the will of the fellow countrymen through the great unity of the whole nation.

The anti-U.S. cause of independence, the antifascist cause of democratization, and the struggle for national reunification, assigned to the South Korea students and masses at present, are placed in a relationship in which they contribute to the cause of national liberation as a whole, functioning in a mutually inseparable relationship. However, these relations are not horizontal mutual ties, but supplementary ties in which the anti-U.S. struggle for independence is placed at the center. The anti-U.S. struggle for independence is a basic condition for democratization and national reunification; the antifascist struggle for democratization and the movement for national reunification is an important means for stirring up the anti-U.S. struggle for independence.

The present situation demands that the students and the masses organically combine the anti-U.S. struggle for independence with the antifascist struggle for democratization and the movement for national reunification while adopting the former as a basis, and steadily wage them together.

The tasks assigned to the student movement of South Korea by national history are carried out by awakening and organizing students and through a mass struggle. Awakening students is a prerequisite for the student movement. The movement to awaken students is an independent movement to arm them with ideas and theories in order to help them fulfill their patriotic missions and duties.

The ideological consciousness, which the students should primarily adopt, is the idea of independence; and the consciousness of national independence, its embodiment. The consciousness of national independence is the impetus which ignites the struggle for national liberation, and a driving force which pushes ahead with it. In conclusion, the width and depth of the struggle for national liberation are decided by the extent to which the masses, the main forces of the struggle, are armed with the consciousness of national independence.

Thus, the consciousness-raising movement aimed at developing the struggle for national liberation should be carried out by fostering the consciousness of national independence. The movement should be the course of promoting the awareness of the anti-U.S. idea and of independence by eliminating the consciousness of pro-U.S. flunkeyism and the sense of subjugation to and worshipping of the United States. Only when the consciousness-raising movement is carried out in diversified manners and methods and in a more mass style in accordance with the concrete realities of the students can the aims of the movement be attained.

The fact that students are carrying out the activities of studying and propagating advanced ideologies through ideological circles, are newly developing the clandestine press, and are intensifying mass propaganda activities is a great advance in the consciousness-raising movement.

Today's situation demands that the students more actively revitalize various circles aimed at learning advanced ideologies, more actively carry out propaganda activities, and carry out the activities for propagating and disseminating ideological books and clandestine publications in a more diversified and more mass style.

Organizational unity of the student ranks is the life of the student movement. We cannot think of the important role of the students as the main force without the firm organizational unity of the student movement. The organizational unity of the ranks of the student movement can be realized by the core of the movement.

The guiding core will not come forward by themselves from the narrow ivory tower but will be effectively fostered and disciplined amid the practice of the mass struggle. Therefore, we should pay keen attention to the issue of fostering the core force of the student movement, should discipline them amid the practice of struggle, and should expand their ranks.

In particular, at a time when the evil hands of the U.S. and Chongwadae's intelligence politics are being deeply infiltrated into campuses and when the spearhead of the operation to smash the student movement is being directed at the core force of the struggle, active protection of the core force is an indispensable task for the development of the movement.



The organizational unity of the ranks of the student movement is being realized in the course of forming student organizations and expanding them in accordance with the demand of the developing movement. The student organizations can fulfill their missions only when they become self-governing organizations instead of heteronomous ones, democratic organizations instead of self-righteous ones, and mass organizations instead of groups of minorities.

The basic mission of organizing the student ranks is to realize the unity of a broad range of student masses [haksaeng taejung] by firmly uniting them. Unity is strength. No strength is more powerful for students than unity. The characteristic nature of the students who live the collective life, taking their campus as a unit, becomes the practical condition for their organizational unity and cohesion.

Recently, a general student association was formed in each university as a fair self-governing body of students and, on the basis of this, national organizations with local organizational systems and organizational networks of a federation of universities have appeared. This is remarkable progress in the work of organizing the student ranks.

The important task arising in organizing a broad range of the student masses at present is to restore and expand the democratic autonomous organizations which have already been formed and to include more student comrades in these organizations.

The student councils of colleges and universities should accommodate all students in the respective colleges and universities, the league of colleges and universities in each region should unite all the students in the region, and the national organization should rally all the students in South Korea around it, so that they can become powerful forces.

The process of the development of the student movement today demands that the national student organization be developed into a flexible, firm, permanent, and united core vanguard organization and its function be enhanced. Scientific strategy and tactics are a mighty weapon to lead the student struggle to success. The student struggle should be developed on the basis of scientific strategy and tactics to promote the process of indoctrinating and organizing the students and the masses and to successfully achieve the task and objective of the movement.

The primary premise in developing the student struggle based on scientific strategy and tactics is to give an accurate judgment of the prevailing situation. The student movement should be accurately analyzed and judged from the time of campus agitation in order to choose the appropriate struggle slogans and methods and to efficiently conduct all struggles efficiently.

In order to accurately grasp the subjective and objective situations, we need to observe the situation not from one angle but from all dimensions, not superficially but in a penetrating manner; analyze its primarily based on the subjective situation, while comprehensively observing the objective situation; and treat it in an independent manner.

The situation created in South Korea today is very complicated, tense, and unpredictable. As the mass struggle is taking on an increasing vigor as a major characteristic in the situation, the ever-worsening power crises is coming closer to its limit with the insolvable malignant economic crisis. The masses' anti-U.S. and anti-government sentiment and consciousness of resistance are spreading rapidly and powerfully; and the political situation, with the power transfer in 1988 approaching, is entering a time of violent collision.

The prevailing situation demands that an independent force be actively brought up in the student movement and that the changing political situation be coped with actively so that the mass struggle can be developed tactfully. Despite the fact that the task of accumulating forces is essential to the mass movement, the struggle must be developed with greater flexibility and in a more progressive manner.

If the mass struggle were not waged, waiting for an advantageous situation, the movement would fall into a state of stagnation and atrophy, and the independent force would not be brought up forever to meet the needs of the developing situation. Conversely, if an adventurous struggle were waged without accurately grasping the strength of the enemy and ourselves, the independent force would suffer severe damage, and the movement would not be able to avoid the irrecoverable trials and failures.

In order to effectively develop the student movement, it is most important to put forward correct struggle slogans. With a correct slogan, one can advance the struggle in conformity with the objective, expand it to a mass scale, and deepen it systematically. One should hold up slogans, combining well the strategic slogan reflecting the basic objective of the struggle and the tactical slogan reflecting the current objective so as to ensure both the direction and the practical nature of the movement.

The historical task set for the present South Korean student movement requires that the movement hold up the anti-U.S. struggle for independence as a basic slogan and combine with it the slogans of the democratization of society and peaceful reunification. The present slogans of the student movement require that, in the anti-U.S. movement, the slogans encompass frustrating the U.S. nuclear war plot, maintaining peace on the Korean peninsula, opposing aid to the military regime, and clarifying the truth of the Kwangju incident; that, in the democratization movement, the slogans encompass abolishing the fascist constitution, overthrowing the dictatorial regime, rejecting the 1986 and 1988 athletic meeting in Seoul which are used as an excuse for long-term power, and realizing campus freedom; and that, in the reunification movement, the slogans encompass calling off the monopoly in carrying out dialogue, guaranteeing free discussions on reunification, ending North-South confrontation, and realizing national unity.

The slogans should be put forward in conformity with the degree of the masses' preparation and be continuously changed in a progressive manner to suit the changing situation to ensure the effectiveness of the struggle and the advancement of the movement.

The essential requirement in developing the student movement in a tactful and successful manner is to accurately develop and utilize the form and method of the struggle. One has to choose and utilize the form and method of the struggle to expand the success in each case of struggle of action, and enhance the students' mass struggle as a chain process.

In the student struggle, there cannot be any special form and method that can be applied uniformly to all circumstances and places. In the student struggle, it is important to choose and utilize various forms and methods of struggle -- including the legitimate and illegitimate struggles, small-scale and large-scale struggles -- tactfully and in conformity with the prevailing situation and the strategic and tactical requirements.

An urgent task assigned to the student struggle at present is to realize the cause of expanding the struggle into a mass struggle and to promote all types of struggle in all aspects. A basic method for struggle, which should be applied to the student struggle at present, is to combine a legal struggle with an illegal struggle while adopting the former as a main type of struggle, and to actively link an out-of-campus struggle to an on-campus struggle while seeking the former.



Under the fascist political situation of South Korea at present, means for illegal struggle is extremely restricted. However, a legal struggle is not completely impossible. Only when it makes the most of all legal chances and possibilities and actively increases the means for them can the students struggle display greater might. An important demand of a legal struggle is that radical actions, which may cause isolation from the masses, be restrained from and a proper struggle in which everyone can participate and by which they can be encouraged be waged, and that an extremely small-scale movement be avoided and a mass active struggle, in which the fore-runners advance together hand in hand with those students who have fallen behind, be sought.

In order to actively develop the student struggle, it is necessary to wage legal and illegal struggles, anti-U.S. and antifascist struggles, political struggles and struggles for the rights to survival, off-campus and on-campus struggles, struggles through seizure and struggles through surprise attack in a flexible manner, and nonviolent struggles in which a larger number of masses participate.

A firm guarantee for the epochal development and victory of the struggle for national liberation lies in the close combination of the student movement with the movement of the masses of all walks of life. Only when it is integrated with the masses can the student movement possess invincibility and secure shelter and fulfill and play its initiative and leading mission and role in the movement for national liberation.

The combination of the student movement with the movement of all walks of life is realized through the movement of solidarity with each other. The realization of worker-student solidarity is an important question with epochal significance in combining the student movement with the movement of all walks of life. Workers are decisive forces deciding the victory or failure of the struggle for national liberation, and a leading class that fully personifies independent demands and fighting capabilities. Only when they realize worker-student solidarity can students develop their movement on the most solid foundation, promote it to a genuine masses-oriented movement, and open an epochal phase in the struggle for national liberation.

In order to realize worker-student solidarity, it is important for students to go deep among workers and learn their organizational and determined spirit as they are doing now and, at the same time, to propagate advanced knowledge among them, enhance organizational links with them, and actively develop a joint struggle with them.

Along with this, it is urgently demanded that students more vigorously wage a mass movement of solidarity hand in hand with 10 million peasants, millions of jobless people, paupers in urban areas, those engaged in small- and medium-sized commerce and industry, national capitalists, religious figures, off-stage democratic forces, and other patriotic classes and strata.

The victory or failure of the movement for national liberation depends on whether or not the South Korean army is returned to the ranks of the nation and the masses. The South Korean army under the command of the U.S. troops in South Korea is a fortress of the colonial and fascist rule. However, there is a discordant contradiction between the reactionary upper circles and the middle and lower circles of the South Korean army. In addition, most of the men of the South Korean armed forces are sons or daughters of the working masses, including workers and peasants. Because it the fortress of reactionaries, the South Korean army should be collapsed and returned [to the ranks of the nation and the masses]. Because there is a discordant contradiction, it can be returned.



Most of the soldiers and officers in the armed forces were colleagues who had shared the same views on the nation and democracy in campuses until yesterday. Even though they shoulder U.S. guns, the national blood runs in their hearts. The student movement must not overlook the movement to return the soldiers and patriotic officers in the armed forces to the ranks of the nation and the masses and must make utmost efforts to inspire its colleagues in the armed forces with patriotism and national independence.

In the movement for national liberation, forming a broad united front in which the student of all walks of life, including the workers, peasants, students, patriotic soldiers, intellectuals, entrepreneurs, merchants, religionists, and democratic figures, are participating in an independent manner, is an important guarantee for the victory of the movement. Any South Korean student who loves the country and the nation must, hand in hand and firmly united around the anti-U.S., democratic front for reunification, engage in joint activities and struggle.

The campaign for constitutional amendment, which has already begun in an effort to abolish the fascist constitution, is an influential means that can be turned into a pan-national resistance movement for democracy in which the people of all walks of life can be mobilized, and is an important occasion that can achieve a breakthrough in the struggle for national liberation. When the campaign for constitutional amendment is expanded on a pan-national basis, Chongwadae's three major deceptive operations to stay in power for an extended period of time -- the 1986 and 1988 Seoul athletic games and the formality involving the peaceful transfer of power -- can be frustrated; the fascist dictatorial system can be buried; the plot to fabricate two Koreas can be frustrated; and a turning point in the anti-U.S. cause for national salvation can be efficiently achieved.

A quarrel between justice and injustice has already begun. The Korean political situation is developing into another 19 April, another Kwangju, and another Philippine situation in full swing. The pro-U.S. dictatorial regime is facing a serious crisis. The dictator, who is on the brink of an end, is attempting to find a way out in another Kwangju disaster and another internecine war. The South Korean students and masses cannot idly overlook this dangerous situation. The only diagnosis for removing the cause for the fascist rule and the adventurous war of aggression, which are placing the entire masses in a sad plight, is to drive out the U.S. forces of aggression and nation-selling forces through a pan-national struggle.

The future of the South Korean student movement greatly depends on how it will proceed with the imminent anti-U.S., antifascist struggle for national salvation. The present situation calls on the students and masses to more courageously advance in the righteous struggle for national salvation, without retreating even a step.

Today, the South Korean student movement is at a significant point in history that decides between patriotism and treachery, between democracy and fascism, and between reunification and division. The general situation is developing in a manner favorable to our patriotic students and masses. The situation in the development of the student movement is bright and the prospects are optimistic. Even when the road of struggle was arduous, the movement advanced. Through troubled struggles, the students gained confidence in victory and are accumulating powerful might. Victory is for the SKNDF and the students, who are living with love for the country, who are struggling on the side of the masses, and who are advancing with the times.

The ranks of our trustworthy students, who have courageously run in the vanguard of national salvation and who have quickened their pace in the anti-U.S. struggle, will also honorably fulfill their tasks and role in the cause of realizing the second national liberation as the main forces.

Let us expel the long night of rule and division, and of dictatorship and alienation; break the new morning of national independence; and receive the new day of democracy, the dawn of reunification, and the new world of the masses. Let us wisely, courageously, and vigorously advance toward and rush to the dawn through darkness. Let us devote our fervent hearts to the anti-U.S. altar for national salvation. Let us become the fortress of love for the country and the flames of national salvation.

[Dated] April 1986, Seoul

KIM YONG-NAM MEETS UN PROGRAM REPRESENTATIVE

SK300417 Pyongyang KCNA in English 0406 GMT 30 Apr 86

[Text] Pyongyang April 30 (KCNA) -- Vice-Premier and Foreign Minister Kim Yong-nam on April 29 met and had a conversation with Carl Wiberg, new representative of the United Nations Development Programme to Korea.

KIM YONG-NAM MEETS PRC FOREIGN MINISTRY GROUP

SK290443 Pyongyang KCNA in English 0430 GMT 29 Apr 86

[Text] Pyongyang April 29 (KCNA) -- Vice-Premier and Foreign Minister Kim Yong-nam on April 28 met and had a talk in a friendly atmosphere with the friendship visiting group of the Chinese Foreign Ministry headed by Wang Yangchang, assistant to the foreign minister. Present on the occasion were Yi Won-kuk, vice-minister of foreign affairs, and Zong Kewen, Chinese ambassador to Korea.

VETERAN FIGHTERS DELEGATION VISITS USSR, BULGARIA

SK301118 Pyongyang KCNA in English 1023 GMT 30 Apr 86

[Text] Pyongyang April 30 (KCNA) -- A delegation of the Korean Committee of Anti-Imperialist Veteran Fighters led by its chairman Chon Mun-uk, colonel general of the Korean People's Army, left Pyongyang on April 30 by air for a visit to the Soviet Union and Bulgaria. The delegation was seen off at the airport by Colonel General of the Korean People's Army O Chae-won, vice-chairman of the Korean Committee of Anti-Imperialist Veteran Fighters, and other generals and officers, Soviet Ambassador to Korea Nikolay Shubnikov and Bulgarian Ambassador to Korea Vasil Khubchev.

PLO DELEGATION VISITS PYONGYANG FOR TALKS

Meets With Kim Yong-nam

SK260457 Pyongyang KCNA in English 0441 GMT 26 Apr 86

[Text] Pyongyang April 26 (KCNA) -- Talks were held on April 25 at the Mansudae Assembly Hall between Kim Yong-nam, vice premier and foreign minister, and Faruq Qaddumi, head of the Political Department of the Palestine Liberation Organisation (PLO).

At the talks the two sides discussed a series of matters of common concern. A complete consensus of views was reached at the talks on all problems discussed.

Present at the talks on our side were vice-minister of foreign affairs Kim Hyong-yul and other officials concerned. Present on the opposite side were the members of the delegation of the Palestine Liberation Organisation and Mustafa Safarini, representative of the PLO in Pyongyang.

Reception Held 25 Apr

SK260503 Pyongyang KCNA in English 0448 GMT 26 Apr 86

[Text] Pyongyang April 26 (KCNA) -- The government of the Democratic People's Republic of Korea gave a reception Friday evening at the Ongnyu restaurant in honor of the visiting delegation of the Palestine Liberation Organisation (PLO) headed by Faruq Qaddumi, head of the political department of the PLO.

Speeches were made there by vice-premier and foreign minister Kim Yong-nam and Faruq Qaddumi. Kim Yong-nam said: The Korean people fully support the just struggle of the Palestinian people to restore the inalienable, legitimate national rights including the right to retake and return to Palestine, their sacred homeland, the right to self-determination and the right to build an independent state.

If peace is to be guaranteed in the Middle East and the problem of this region to be solved comprehensively in a fair way, the national self-determination of the Palestinian people should be guaranteed above all, the U.S. imperialists' aggressive and interventionist moves be discontinued and the Israeli aggressors be withdrawn from all the Arab lands they have illegally occupied.

Faruq Qaddumi stressed: We firmly support all the peace proposals and initiatives including the proposal for three-way talks advanced by the great leader Comrade Kim Il-song. The Palestine Liberation Organisation and Palestinian people resolutely oppose the U.S. imperialist aggressors' "two koreas" plot and express firm solidarity with the Korean people in their just cause of the independent and peaceful reunification of the country.

Received by Kim Il-song

SK281052 Pyongyang KCNA in English 1023 GMT 28 Apr 86

[Text] Pyongyang April 28 (KCNA) -- The great leader President Kim Il-song today received the delegation of the Palestine Liberation Organisation headed by Faruq Qaddumi, head of the political department of the PLO.

Present there were Vice-Premier and Foreign Minister Kim Yong-nam and PLO representative in Pyongyang Mustafa Safarini.

President Kim Il-song had a talk with the guests in a cordial and friendly atmosphere. The head of the delegation presented a gift to him.



ROK NOT AFFECTED BY CHERNOBYL RADIOACTIVE FALLOUT

SK3010114 Seoul YONHAP in English 1104 GMT 30 Apr 86

[Text] Seoul, April 30 (YONHAP) -- The Science and Technology Ministry said Wednesday Korea has not yet been affected by radioactive fallout from the Soviet nuclear accident last weekend. It would take "considerable time" for wind currents to carry radiation into Korea, which is some 6,000 kilometers from the Chernobyl nuclear power plant, where the accident occurred. The plant is located north of Kiev in the western Soviet Republic of the Ukraine, a ministry official said.

If the radioactive debris reaches Korea, it will be too weak to affect the health of Koreans, according to the official. He said there is a slight possibility that the fallout will reach Korea, because the jet stream over the Soviet region moves northward toward Japan via Siberia. Korea is much safer from the nuclear mishap than Japan, however, he said.

Korea's four nuclear power plants that are in full operation provide 18.3 percent of the nation's electricity. Yo Uk-chong, director general of the ministry's Nuclear Safety and Cooperation Office, said that the possibility of an accident occurring at one of Korea's nuclear power plants is relatively low because the plants use heavy- and light-water-type reactors. He pointed out that Korea's nuclear plants are "quite different in structure" from the Chernobyl plant, which uses a graphite reactor.

The Soviet nuclear accident might have occurred because of the lack of sufficient safety devices on the graphic reactor, which is employed solely by the Soviet Union and other Eastern Bloc countries, he added.

DISCUSSION BETWEEN CHON, OPPOSITION LEADERS CITED

SK010148 Seoul THE KOREA TIMES in English 1 May 86 p 6

["Abridgement of dialogues at a meeting between ROK President Chon Tu-hwan and three party leaders -- No Tae-u of the ruling DJP, Yi Min-u of the main opposition NKDP, and Yi Man-sop of the second opposition KNP, held at Chongwadae -- presidential mansion -- on 30 April]

[Text] Yi Min-u: I appreciate what you have done during your recently completed European tour.

President Chon: Frankly speaking, I had much anxiety about my trip. I was much concerned about potential security problems due to the incident in Burma.

Even before my departure, bombing attacks were reported at places in Paris alone. European countries have no clear borders. Since there is no particular difficulty in making entry and exit, terrorist groups can travel freely and there also is a north Korean mission in Switzerland. I was much concerned about the consequences of any misfortune that might affect the fate of the nation as well as the goal of achieving a peaceful transfer of power. But I was glad to be able to reap great fruits beyond expectation thanks to supra-partisan support and cooperation.

As for our internal policies, I think it follows an all-or-nothing rule. While promising to develop democracy verbally, many politicians have not translated the promise into action.

Today is the 11th anniversary of the fall of Vietnam. Can we say that there are political parties or that there is democracy in Vietnam since its collapse? We should correctly understand our national security situation. We have to have an accurate understanding of our security situation under which a touch-and-go threat of a war still exist in the confrontation of 1.5 million troops.

The two great events to be held in 1986 and 1988 are not simple sports meets, but big occasions to generate momentum for achieving a national leap. We have to carry out these events with excellence. (To Yi Min-u) You must make a due assessment of the decision of the head of state to retire after transferring the government in observance of the Constitution for the first time in our political history.

Now, we have been given a good chance to make economical headway thanks to the fall of oil prices and other factors, and we should not let it slip away. If we make good use of this opportunity, and after some years our per capita GNP could rise to \$3,000.

We made sure during the Feb. 24 meeting at Chongwadae that the campaign for the amendment [of the constitution] would be conducted as a political party activity and the signatures might be gathered within party offices. Yet, the campaign now mobilizes illegal mass demonstrations, some being violent. Can such actions be admired as those of a political party seeking to achieve democracy? Now, we have to discard the old political style of bygone days. Democracy is seeing to it that all issues in the parliament are debated and that state affairs are administered through dialogue and compromise: To shout on the streets while deserting the parliament is not democracy.

I have no personal ambition, nor does president Yi, do you? Please stop the signature campaign which only makes the people uneasy and brings about more confusion, and instead, engage in frank dialogues in the parliament.

It is not right to claim that direct election of the president is the equivalency of democracy. The constitutional revision question should not be promoted hastily. It is to commit a crime to the nation to promote the revision only with an aim to seize power. If the direct election system turns out to be desirable as a result of the debates by the parliament on the ways of election and power structure, the system should be adopted. But, if the parliament concluded that it is not reasonable, it should be vetoed. It is absurd to take to the streets only to instigate the people.

The government does not block debate on the Constitution as long as legal procedures are followed. Everything should be debated within the boundary of law and order. Who will benefit from a confusion? Can the NDP seize power right now by doing so? The vital element for the settlement of democracy on this soil is to achieve it gradually, through dialogues. To do it radically is to invite a revolution. If you demand a sweeping reform at one stroke, the system of politics is destroyed. Since there has been no problem in maintaining social order so far, the government remains composed. Now is the time when the NDP comes to the parliament.

Yi Man-sop: The political situation has now entered a serious stage. All the politicians should have dialogue with each other with a true intention of working for the people. Today's meeting is drawing great expectations from the people and I hope it will serve as a momentum for reaching a great compromise.

Yi Min-u: I am well aware that the President has no personal ambitions. We would not have started the signature-collection drive if we could settle the issue over the constitutional revision through dialogue. After the opening of the National Assembly last year, we put forward a bill on the formation of a special committee on constitutional revision.

I was the first to sign. The signature move is an activity of the party. Some 700 college professors have joined in the signing so far. Although the number is small compared with the total, they can be regarded as speaking for all professors on the social circumstances of today.

When it comes to campus problems, things requiring systematic correction should be rectified. As for the constitutional revision, the timing will be the key to solving the current situation. If the power transfer is carried out peacefully after a ruler is decided in a trouble-free atmosphere of conciliation, the 1988 Olympics will be conducted in a peaceful climate and this will be helpful to our national security.

The President will be judged as the greatest person in history, when you make a decision on the timing of the constitutional revision and leave your position after having the next president elected by a new Constitution.

The KBS should make impartial reports, as a true broadcast of the people. If only the schedule of democratization is finalized, I am prepared to visit campuses and factories to persuade the students and laborers even in the face of throwing stones. Democracy cannot be implemented if those who experienced difficulties at one point in time retaliate politically after they take a hold of power.

Your excellency has to carry out the hard work of laying the basis for democratization. Since your excellency is free from personal ambitions, you can do this work. The Constitution should be revised immediately so that the next president be elected by a revised Constitution. I am not saying this in favor of any specific person.

Yi Man-sop: Now is the most important time for the nation since its foundation. We should realize the peaceful power transfer, successfully host the 1988 Olympics, utilize the current favorable factors for our economic development and strengthen national security. If we accomplish these tasks, democracy will take root in our country. The suspension of constitutional government will only bring forth despair.

The majority of the people want constitutional revision, but they do not support a specific person or a specific party. The NDP argues for the constitutional revision in 1986 while the ruling party and the government insist on the revision in 1989. Your excellency, please revise the Constitution during your term. Under that precondition, a special committee on constitutional revision should be formed at the National Assembly so that each party will present and discuss frankly concrete amendment bills of their own.

Shouting anti-government slogans and claiming "employed soldiers" cannot be allowed on the campus. The students leaning to the extreme left should be isolated; innocent students should be protected. The collegians' in-camp military training should be continued, but any defects in the the system should be corrected. College professors are making declarations on the current situation. The declarations touch on the issue of constitutional revision, but they also carry messages to persuade the students.



No Tae-u: I appreciate president Yi (Min-u) for saying that he would carry out the signature collection drive in a non-violent, legal manner, but legal order is destroyed and violent acts occur everywhere. Student activists are spreading leaflets urging their fellow students to attend the signboard-hanging ceremony in Inchon on May 3. Laborers who are employed at workshops around the Pupyong area with falsified schooling backgrounds are also agitating workers to participate in the Inchon rally. Can the signature-collection be carried out nonviolently as president Yi thinks? I hope you will exercise self-restraint.

Chon: It is my duty to establish the precedent of a peaceful change of government by leaving the office after a single term. The NDP calls for the direct presidential election system unconditionally, but we have to examine not only the presidential election system but other matters including the government structure. If we are going to change the Constitution, we have to study our history, culture, the foundation of our traditions and national security conditions to determine what kind of Constitution best suits these factors.

Representatives of parties in the National Assembly should have sufficient discussions with concrete proposals. A demand for an immediate change can be detrimental to democratization. If we are to change the Constitution, we should adopt a perfect one which can be retained until the time of unification.

They say that direct election is the only way to achieve democracy. We have had direct elections on six occasions, yet no ruler has ever given up his power. As our constitutional politics is more than three decades old, there can be introduced many good ideas if debates are conducted in a special committee in the House. The administration will form a research committee on constitutional systems and will convey the result of its study to the National Assembly.

The NDP cannot achieve its amendment plan without a revolution, if it does not come to the National Assembly, no matter how many signatures it may collect because any amendment requires two-thirds support in the Assembly. You ask me to change the Constitution during my tenure, I will not oppose an amendment within my tenure if ruling and opposition parties reach an agreement and make such recommendations.

Yi Min-u: Does it mean that the next president shall be elected under the new Constitution?

Chon: I will not object if you agree on the political schedules and the contents of an amendment bill in the House and make recommendation. But I personally believe it desirable to maintain the present Constitution until 1988 and change the Constitution in accordance with the people's will after completing the two great tasks of a peaceful change of government and the Olympics.

Yi Man-sop: I understand you will accept it if parties make an amendment proposal at a special committee in the House and reach an agreement on political schedules.

Yi Min-u: It may be theoretically feasible but I think it is impossible in practice, considering the distribution of Assembly seats. I think what you have said is no different from your previous position of revising the Constitution in 1989.

Chon: No. It is quite different.

Yi Man-sop: We will have to consider the matter on a higher plane.

Chon: We should trust each other. We cannot achieve democracy without trust, resorting to confrontations of power against power.

Yi Min-u: You've said that you will follow a decision of the National Assembly. Judging from our political climate, I can hardly believe this.

Chon: Now that I have made such a big concession, would you still take to the street to collect signatures. We should trust each other. When the open debates are made in the House, the people will make their own judgement.

It was commendable that you two presidents admonished violent leftist-oriented student activists. These extremely small numbers of students are seeking to achieve socialist revolution in collaboration with a political force.

With the current security situation under which we cannot afford to have our guard down even for a moment it is big mistake to capitalize on the issue of the students' field military training politically. But I will make relevant offices to study the way to improve the system so that the purpose of the training program is better served.

Professors, as representatives of the intellectual class, can manifest their personal opinions on the current affairs. But it is not desirable for them to stimulate students by announcing their opinions collectively. I hope that they refrain from embroiling in the collective behaviour. The professors' actions are a matter for the school authorities to deal with, though.

You pointed out biased reporting by the KBS. As a matter of fact, impartiality in news reports is not a matter to be limited to the state-run network. It is a matter which concerns all the media. If there is a controversy over the impartiality of the news reports by the KBS, it should be corrected. The KBS airs commercials because the subscription fees alone cannot cover the investment required for improving facilities for the '86 Asiad and the '88 Olympics.

Yi Min-u: So far, the news reports by the KBS lack fairness. The campaign to boycott the KBS resulted from the partiality in news coverage.

Yi Man-sop: The Korean National Party has suffered most from the unfair news reporting. It always reports about the first and second political parties.

Chon: Chairman No, how about meeting Mr. Kim Yong-sam. President Yi Min-U and Yi Man-sop requested exclusive meetings with me. I am going to have separate meetings with you when the circumstances allow. Well, let's take part in democratic politics.

#### NKOP 'SUSPICIOUS' OF CHONGWADAE MEETING RESULTS

SK010209 Seoul THE KOREA TIMES in English 1 May 86 p 1

[Text] The main opposition New Korea Democratic Party showed a "cautious and suspicious" reaction to the result of the Chongwadae get-together of President Chon Tu-hwan and party leaders yesterday. Leading party officers claimed that the President's intention to rewrite the Constitution within my official tenure" should be further ascertained.

Party president Yi Min-u said, "I shall be able to see his (President) real mind only after I hold an exclusive meeting with him." He said that the most significant outcome of the Chongwadae meeting was the President's promise to meet him exclusively. Party officers also said that the assured Chon-Yi meet was the sole fruit of the meeting.

Rep. No Sung-hwan, a vice president, said, "The ruling camp has to bare something clear. Measures to help create an atmosphere to eradicate mutual distrust should be taken first."

Rep. Kim Su-han, another vice president, claimed that a concrete agreement on the revision issue should be made in the exclusive meeting between Chon and Yi.

The NDP will hold a special Executive Council meeting today to finalize its position on the results of the Chongwadae meeting.

#### NO TAE-U WILL MEET KIM YONG-SAM 'IF NECESSARY'

SK010212 Seoul THE KOREA TIMES in English 1 May 86 p 1

[Text] No Tae-u, chairman of the ruling Democratic Justice Party, said yesterday that he will meet Kim Yong-sam. Kim, now an adviser to the New Korea Democratic Party, reserved immediate response to the proposal.

No was recommended by President Chon at a meeting of the political leaders to meet the opposition leader. The DJP chairman told reporters after the meeting, "I answered that I will meet him if necessary." He said that his meeting with the opposition leader will not require any particular procedures.

Elaborating on other subjects of the Chongwadae talks, No said that the next presidential election may be held under new Constitution "if it prescribes to that effect."

In a party meeting called right after the Chongwadae conference, the DJP decided to hold a caucus tomorrow "to have the party lawmakers unify their views on the constitutional revision issue."

Party spokesman Sim Myong-po said after the meeting No instructed the party's key officers to make all preparations for the debates on the constitutional amendment in the parliament, while working on a draft for the amendment. The floor leaders of the DJP and the opposition NDP will resume their negotiations today for the purpose of forming a special House committee on the basic charter.

#### PARTY LEADERS TO MEET ON POLITICAL SITUATION

SK010830 Seoul YONHAP in English 0813 GMT 1 May 86

[Text] Seoul, May 1 (YONHAP) -- The leaders of South Korea's three major political parties plan to meet soon to discuss the nation's overall political situation, political sources here said Thursday.

Yi Chae-hyong, speaker of the National Assembly, invited the three leaders to meet before he leaves for a visit to the United States on May 11. The three are No Tae-u, chairman of the ruling Democratic Justice Party (DJP); Yi Min-u, president of the opposition New Korea Democratic Party (NKDP); and Yi Man-sop, president of the Korea National Party (KNP).



They are expected to discuss the issue of revising the constitution, ways to iron out differences stemming from that issue, and how to create an atmosphere for dialogue within political circles, the sources said.

In a meeting with the three leaders at Chongwadae, the presidential residence, on Wednesday, President Chon Tu-hwan said he would be willing to revise the constitution before his term expires in 1988, if the rival parties reach an agreement on it in the National Assembly.

The ruling and opposition parties are busy working out measures to follow through on the results of the Chongwadae meeting. The parties are pushing ahead with a plan to arrange a meeting between No and NKDP adviser Kim Yong-sam, as recommended by Chon at the Chongwadae meeting.

DJP floor leader Yi Se-ki and his NKDP counterpart, Kim Tong-yong, Thursday discussed various problems, including the proposed formation of a special constitutional committee, the convocation at an early date of a special National Assembly session and campus unrest. The only point on which they agreed, however, was to hold a full-fledged meeting next week.

#### EDUCATION MINISTER WARNS PROFESSORS ON STATEMENTS

SK250026 Seoul THE KOREA HERALD in English 25 Apr 86 p 8

[Text] Minister of Education Son Chae-sok said yesterday the government will be obliged to take countermeasures if the issuance of statements by college professors on currently controversial issues continues. "I expect school authorities will tackle with the collective actions by some professors. If the school authorities fail to solve the problem satisfactorily, proper government-level actions will have to be taken," he said in a news conference.

He called the news conference to comment on the statements recently issued by some professors largely on campus autonomy and proposed amendment to the Constitution.

Son said some of the issues raised by the professors in their statements are among the policies the ministry has already been grappling with. "It is regrettable, however, that their assertions on the Constitution give the impression they are backing up the positions held by other people." He emphasized that faculty members are supposed to maintain political neutrality.

Saying that professors are in a position to express their views individually or from the academic point of view, the education minister said collective actions in the form of issuing joint statements are a grave question. "Such an action fans incongruity among faculty members and inflicts adverse effects on students and the society as a whole," he remarked.

He pointed out that statements by professors run counter to either the Education Officials' Law or the Private School Law. Taking possible legal steps against the professors involved is a matter to be handled by law-enforcement authorities, he noted.

Concerning the temporary suspension of classes at Sungkyunkwan University, Son said the student slogans included radical ones, such as "Liberated Republic." Those leftist-leaned slogans were the first of their kind on campus, he said.

He said the field training by college sophomores is inevitable in view of the confrontation the nation faces against the hostile Communist regime beyond the truce zone. "Boycotting such training is unpardonable," he said. The university was closed for three days because of the violence created by the boycott of the training by some students.

STATEMENT SUPPORTING 23 APR SOVIET POSITION REPORTED

BK301308 Phnom Penh SPK in English 1150 GMT 30 Apr 86

[Text] Phnom Penh SPK April 30 — Following is the full text of the statement issued in Phnom-Penh today by the Government of the People's Republic of Kampuchea.

"In an important statement of April 23, the Soviet Union has called on all the Asian and Pacific countries to join their efforts in the search for solutions to problems in strengthen mutual trust, consolidate peace and security and promote economic, trade, technical, scientific, and cultural cooperation on the basis of equality and mutual benefits. The said [as received] the statement has demonstrated the Soviet Union's good will in actively contributing to solving problems which are vital to the people in this region of the world.

Following the Jan 15, 1986 well-meaning statement of the C.P.S.U. General Secretary M.S. Gorbachev who has won the hearts of all people the world over, the Soviet Government statement of April 23 is a new proof of its reasonable and realistic foreign policy. This policy, which stems from the legitimate interests of peoples in the Soviet Union and other socialist countries, has conformed to the common interests of the whole mankind and to detente, total elimination of nuclear arms, the establishment of a world system for international security and promotion of cooperation. The just position and constructive orientations advocated by the Soviet Government in this statement meet the aspirations of the people in the region of Asia and Pacific. Particularly, it fully meets the profound aspirations of the Kampuchean people who, after a long struggle against colonialism and American imperialism and after many years of untold suffering brought about by the genocidal Pol Pot-Ieng Sary-Khieu Samphan clique, have no other wishes than peace and security so as to rebuild their country and have friendly and cooperative relations with the neighbouring countries and other countries in the world. This position and these orientations also conform to the foreign policy of the People's Republic of Kampuchea which, having been forced to carry on a struggle against the Chinese expansionist-hegemonists in collusion with the U.S. imperialists and other international reactionary forces, has together with Vietnam and Laos spared no efforts over the past seven years to advance constructive proposals full of goodwill for solutions to problems concerning Southeast Asia and the situation in Kampuchea, and to make this region a zone of peace, stability and cooperation.

Realities in the past seven years have clearly shown that neither the war of intrusions and subversion conducted by the Pol Pot clique, which has enjoyed support from the expansionist-hegemonists and the ultrarightist reactionary forces in Thai ruling circles, nor the confrontation provoked by them to pit the three Indochinese countries against the ASEAN countries nor their perfidious maneuvers of negotiation can reverse the situation in Kampuchea and serve their dark designs to bring back the Pol Pot clique to our country. The P.R.K. continues to firmly advance forward; and dialogue is the only correct way to settle all trouble in this region. This stance of dialogue has won wide support not only in Southeast Asia, but also in the whole region of Asia and the Pacific and in other parts of the world.

The government of the People's Republic of Kampuchea and the Kampuchean people warmly welcome and unreservedly support the statement of April 23, 1986 of the Government of the Soviet Union and are strongly convinced that in the present international context and with the vigorous development of the peace forces stimulated by the important initiatives and the clear-sighted leadership of the Soviet Union as reaffirmed in the documents of the 27th C.P.S.U. Congress, the statement of the Soviet Government will be warmly acclaimed by the peoples in the Asian and Pacific region and the world over."

FRG CHANCELLOR KOHL ARRIVES FOR OFFICIAL VISIT

## Prem Welcomes Party

BK301456 Bangkok Television Service in Thai 1300 GMT 30 Apr 86

[Text] Today Thailand welcomes some important guests -- the FRG chancellor, his wife, and party. Correspondent Duangchai Maharakhaka reports:

[Begin recording] Dr Helmut Kohl -- the FRG chancellor -- his wife, and party arrived at the Bangkok airport on a special aircraft at 1500 today for an official visit to Thailand as guests of the Thai Government. Prime Minister General Prem Tinsulanon welcomed the party and draped a garland over the FRG chancellor's neck. He then invited the chancellor onto the reception platform to receive a salute from the honor guard. There was a 19-gun salute for the visitor. The prime minister and the FRG chancellor then reviewed the honor guard, after which they proceeded to the Air Force reception room where the visitor was introduced to Thai Cabinet ministers and senior Thai officials. The director general of the Protocol Department then introduced the visitor to heads of diplomatic missions in Bangkok.

The FRG chancellor and his party will be in Thailand until 3 May. While here, he will be received by their majesties the king and queen. [end recording]

## Prem-Kohl Talks Noted

BK010744 Bangkok Domestic Service in Thai 0530 GMT 1 May 86

[Text] Deputy Foreign Minister Arun Phanuphong disclosed that during the meeting between FRG Chancellor Helmut Kohl and Prime Minister General Prem Tinsulanon at Government House yesterday, the two leaders discussed the Cambodian problem. The Thai side informed the FRG side about related developments and our relations with China and the Soviet Union.

The Thai side brought up protectionist measures against agricultural products and unfair subsidy programs implemented by the developed countries and asked the FRG chancellor to relay these concerns to the summit meeting of the industrialized nations in Tokyo. The FRG chancellor told the Thai side that neither developed nor developing countries should resort to protectionism because it is detrimental to the developing countries' buying power -- and this will eventually affect the developed countries.

The Thai prime minister also mentioned suggestions made by other ASEAN member countries which the chancellor has agreed to convey to the Tokyo summit meeting.

Touching on the tapioca problem, the FRG chancellor said that in addition to his support for the readjustment of Thailand's quota, he will ask other countries like France and Spain not to oppose Thailand's proposed quota increase. He also told the Thai prime minister that Germany wants to increase trade relations, and technical and cultural assistance to Thailand. He expects the German businessmen accompanying him during his trip to hold talks with their Thai counterparts and said that concrete steps should be formulated by the end of this year to promote trade between the two countries.



## Kohl Banquet Speech Reported

BK010054 Bangkok THE NATION in English 1 May 86 p 2

[Text] Chancellor Helmut Kohl said last night West Germany welcomed an eight-point peace proposal by Kampuchean guerrillas because it took into account the interest of all parties involved in the conflict. He said in a dinner speech that his government insisted on a just solution to the Afghanistan and Kampuchean problems and the withdrawal of foreign forces from both countries. Kohl was referring to a recent peace proposal by Prince Norodom Sihanouk's UN-recognized Coalition Government of Democratic Kampuchea [CGDK] to resolve the Kampuchean conflict, now in its eighth year.

The proposal calls for a gradual withdrawal of Vietnamese forces from Kampuchea, negotiations between the CGDK and the Heng Samrin government, and the holding of UN-supervised general elections.

Describing Thailand as a "close and good friend," Kohl said in the speech at the banquet hosted by Premier Prem Tinsulanon at Government House: "Like the vast majority of the international community, the Federal Republic of Germany is not prepared to accept Vietnam's violation of international law. Nor can the injustice committed become acceptable in the course of time."

Kohl, who arrived here yesterday afternoon en route to the economic summit in Tokyo, met for two hours with Prem after his arrival. He was later conferred with the highest Thai royal decoration for a foreigner, the Special Grand Cordon of the Most Exalted Order of the White Elephant, from the Thai leader before the banquet.

A West German Embassy spokesman said the talks were a general discussion of bilateral matters, international relations and economic issues related to the Tokyo summit. Other topics included the situation on the Thai-Kampuchean border and economic cooperation. On the Kampuchean issue, Kohl said in his banquet speech that West Germany will continue to "stand unswervingly" by ASEAN. Stressing the German Government's commitment to help Thailand cope with the refugee problem, Kohl said "Thailand bears the main burden of the flow of refugees from Indochina. My government will continue to participate in relief programmes for the people affected."

Premier Prem, in his banquet speech, expressed appreciation for West Germany's support for ASEAN positions in important issues in the region. He said West Germany was instrumental in promoting relations between ASEAN and the European Community. Prem, however, pointed out in the speech that protectionism is among a number of international economic problems which pose a challenge to world trade. "This is a tendency which developed and developing countries must effectively combat to ensure a free flow on international trade. Other challenges that need our serious attention include low commodity prices, financial and monetary stability and Third World indebtedness," he said.

Kohl, who is accompanied by his wife and an 8-member delegation, is scheduled to meet President of Parliament Dr Ukrit Mongkhonnavin and House Speaker Uthai Phimchaichon this morning before being granted an audience with HM the King at the summer Klai Kangwon Palace in Hua Hin.

Kohl will tomorrow sign an agreement with the Thai Government to provide DM40 million (around 480 million baht) in loans and aid for economic and social development projects here. He will also meet prominent members of the Thai business sector tomorrow afternoon together with Industry Minister Dr Chirayu Itsarangkun na Ayutthaya. Meanwhile, representatives of Thai women's groups yesterday submitted a letter to Kohl through the German Embassy here calling for action by the German Embassy against the prostitution of Thai women in Germany.

#### PREM, OTHERS ON UPCOMING VOTE ON DECREES

BK300936 Bangkok NAE0 NA in Thai 30 Apr 86 p 5

[Text] Speaking to newsmen after the Cabinet meeting yesterday, Deputy Commerce Minister Amnuai Yotsuk said MP's would not let anyone influence their vote on the nine decrees. He said: "Each MP has his own independent view. I think they will obey the decision of the meeting to be held on 30 April." Asked to comment on former party leader Khukrit Pramot's nonsupport of the decrees, Amnuai said Khukrit is a member of the party and he has a right to speak out but "he must obey the party's decision on the matter. He is a powerful figure, and he makes waves whenever he moves." Asked to comment about the possibility of a dissolution of Parliament, Amnuai said "MP's must be aware that a dissolution of Parliament is always possible."

Finance, Minister Sommai Huntrakun also spoke to newsmen after the Cabinet meeting. He said the meeting heard a report by Deputy Interior Minister Wira Musikaphong on the results of the meeting of the House of Representatives Coordination Committee held on 28 April. The meeting achieved an understanding among representatives of coalition parties on the decrees. Sommai said the Cabinet meeting also discussed conflicts within the Social Action Party. He said: "There will be no review of the decrees because they have been put into use. It is a matter of Parliament's accepting or rejecting them." He said that if the decrees do not pass, it is up to the prime minister to decide what to do next.

Deputy Industry Minister Ana Chaisaeng said the prime minister expressed confidence during the Cabinet meeting that the decrees will pass Parliament without any problem. The Social Action Party representative assured the Cabinet meeting that conflicts within his party can be resolved because only a few individuals are involved.

Prime Minister General Prem Tinsulanon found newsmen waiting after he left the Cabinet room and told them: "Give me a little time." Asked about results of the House of Representatives coordination committee, the prime minister said only that the committee, the prime minister said only that the committee only reported on the results of the implementation of their duties. Discussing the current political situation, the prime minister said: "I think there are rules. The rules must be respected." Asked if he is worried, the prime minister smiled, saying: "I think everyone must perform his duty and follow the rules. As in a game, there are problems if rules are not followed."

#### DISSIDENTS' PLAN TO TOPPLE GOVERNMENT 'REJECTED'

BK010153 Bangkok BANGKOK POST in English 1 May 86 pp 1, 3

[Text] The Social Action Party [SAP] voted to support the government-sponsored decrees last night, rejecting a dissidents' call for a free vote. The decision was approved at a five-hour meeting by 49 votes to 17, with several MPS abstaining and some walking out.

Deputy leader and key dissident Buntheng Thongsawast refused to concede. "We knew in advance that we would face defeat," he said. "But this is just a defeat in the party. The real fight will be in Parliament and I think we may triumph," he said.

The former deputy prime minister later led 25 dissidents, among them Democrat Chaloem Yubamrung, for a closed-door meeting at the Miramar Hotel to plan the next move. Sources said the Government would expect at least 77 supporting votes from the SAP and no more than 20 against. SAP spokesman Amnuai Yotsuk said the party vote rejected deputy leader Bunloet Loetpricha's proposal to have a free vote on the decrees. Pol Lt-Col Bunloet, who has joined the crusade against the Government, was hoping a free vote would bolster the dissidents. Mr Amnuai said most Sap members believed they should act in concert in voting for the decrees.

Early in the meeting, Mr Buntheng, who was chairman in the absence of leader ACM [Air Chief Marshal] Sitthi Sawetsila, apologised for acting against the Government without consulting the party, said the spokesman. Later, Mr Buntheng said he would propose the SAP's withdrawal from the coalition at the next party meeting. It was only natural, he said, for party members serving in the Government to back the decrees because a vote against would be tantamount to a betrayal. He said 14 SAP members who are in the Cabinet and many more who are political appointees attended the meeting yesterday.

Mr Buntheng said he agreed with M.R. Khukrit's contention that the SAP should withdraw if it felt the Government was no longer worth supporting. The mercurial M.R. Khukrit said on Tuesday that SAP should back the decrees since it was a coalition partner which had approved the decrees. A vote against would violate political etiquette.

After the Miramar Hotel session, Mr Buntheng said his dissidents would go ahead with their plan to bring down the Government. "Our defeat today is not important," he said.

Mr Buntheng, the veteran MP from Lampang, was placed as a deputy prime minister by party leader ACM Sitthi in the Cabinet reshuffle in January. He kept a low profile until last weekend when he came out to say he intended to topple the Government.

Before the vote, Deputy Finance Minister Suthi Singsane and Bank of Thailand deputy governor Chawalit Thanachanan explained to the SAP caucus why the government had to legislate the decrees.

PM's Office Minister Sawat Khamprakop, an SAP member, said the three banking decrees would protect the public interest.

#### KHUKRIT COMMENTS ON SOCIAL ACTION PARTY CRISIS

BK300203 Bangkok BANGKOK POST in English 30 Apr 86 p 1

[Text] M.R. Khukrit Pramot said yesterday the Social Action Party [SAP] should pull out of the Government if its members feel that it is no longer worth supporting. Speaking to reporters at his Suan Phlu residence, M.R. Khukrit said the party should decide now whether it should continue to be part of the coalition. He disagreed with dissident SAP deputy leader Buntheng Thongsawat who vowed to topple the Government by blocking all its decrees on the grounds that SAP was still part of the Government.

Once SAP has left the coalition, M.R. Khukrit said, the Government could decide whether it should resign, dissolve Parliament or bring in the Chat Thai Party to replace SAP. He said he believed that the party would regain its popularity and would do a better job than Chat Thai as the Opposition.



The former SAP leader added that by leaving the Government, party unity would be preserved.

SAP will meet today to decide whether the party should vote for the decrees. The meeting of MPS and executive committee members will be chaired by Mr Buntheng in the absence of ACM [Air Chief Marshal] Sitthi Sawetsila who is in Bali.

Another deputy party leader Koson Krairoek said that the meeting was expected to decide whether the party should remain in the Government.

M.R. Khukrit said that he would abide by his party's decision on voting on the government-sponsored decrees scheduled for debate on May 8. He said if SAP, the largest coalition party, decided to vote against the banking and other decrees, he might have to skip the session.

M.R. Khukrit criticised the Government for issuing the decrees on banking without taking into consideration the political consequences they would generate. He said banks had folded in many other countries but the governments of those countries had not legislated anything similar to these decrees. Without the decrees the Government could complete its four-year term without any problem, he said, adding that he was not consulted when the Cabinet passed them.

A decree seeking to amend the Commercial Bank Act will give more power to the Government in dealing with banks in trouble. Another decree seeking to change the Bank of Thailand Act will require banks and finance companies to contribute up to 0.5 percent of their deposits to set up a fund as a safety net for them.

M.R. Khukrit is chairman of the Bangkok Bank of Commerce's Board of Directors.

The elder statesman said Prime Minister Prem Tinsulanon should not be reappointed after the next general election as he has served long enough and should be replaced by and elected MP. He added that he did not think Gen Prem would run in the election.

Meanwhile, ACM Sitthi said that SAP was under control.

VO CHI CONG DELIVERS SPEECH AT CADRE CONFERENCE

## Parts I, II

OW271001 Hanoi Domestic Service in Vietnamese 1100 GMT 23 Apr 86

[Parts I and II of six-part speech by Vo Chi Cong, member of the Political Bureau and secretary of the CPV Central Committee Secretariat and the Standing Committee of the Council of Ministers to study the draft resolution on guaranteeing the basic economic units' right to autonomy in production and business -- read by announcer]

[Text] The Political Bureau has just approved an important draft resolution on guaranteeing the right to autonomy of basic economic units in production and business, in order to concretize Central Committee resolutions. The essential spirit of the Central Committee's sixth, seventh, and eighth resolutions is definitely to abolish the bureaucratic, centralized, and subsidy-based management mechanism and correctly implement the system of democratic centralism and socialist economic accounting and business, in order to promote production and carry out business transactions efficiently. Creating a correct yardstick in socialist economic accounting and business, and guaranteeing the right to autonomy of basic economic units in production and business is the primary task in the renovation of economic management. We all know that renovating the economic management mechanism is a process of synchronized, systematic renovation of production organization, economic policy, and apparatus organization linked to a correct economic and social strategy and economic structure.

I. Why did the party Central Committee and the Political Bureau choose renovation of economic management in basic units as the primary task?

Proceeding from the very important role of basic economic units as the basis for economic and social organizations -- where all material wealth is produced, where commodity surpluses are created, where capital accumulation is generated, where economic and social relationships are covered, where the laboring people directly exercise their right to collective mastery and carrying out the three revolutions under the party's leadership and state management -- only if we have a correct management mechanism for basic units, thus guaranteeing to them all their rights and interests while enabling them to fully discharge their responsibilities and duties toward the state, can production and business transactions be developed in accordance with the socialist orbit and with efficiency.

Guaranteeing the right to autonomy of basic economic units in production and business is also a common trend in the present renovation of economic management in many fraternal socialist countries. The 27th CPSU Congress, when dealing with perfection of the economic management system, asserted: We must begin with expanding the rights and enhancing the sense of responsibility of enterprises and federations -- that is, the links that produce material wealth where management ramifications exist. As far as our country is concerned, this assumes an even more momentous significance.

Of course, we all know that in our country as long as we do not rearrange and reorganize production according to a correct economic and social strategy and economic structure, as long as we are unable to fully define a general strategy and management mechanism, the guaranteeing of the right to autonomy in basic economic units cannot be perfected. However, realities at basic economic units show that a number of sectors and localities have step by step renovated their economic management in the above-mentioned direction. We have also clearly realized that this work, though not yet fully adequate, has helped production installations and localities surmount many difficulties and overcome sluggishness and decline in the past. In the past few years, in particular, this work has brought about realistic, encouraging results in production and business.

Moreover, through the renovation of management in basic economic units, we will detect errors, shortcomings, and irrationalities in the present economic management so that, after studies, we will achieve a renovated general management mechanism.

Quite laborious studies and detailed preparations were made in working out the draft resolution of the Political Bureau on guaranteeing the right to autonomy of basic economic units in production and business. Following the Ninth Plenum of the CPV Central Committee, the Political Bureau set up a subcommittee to formulate proposals. This subcommittee directly heard realistic reports from many production models in more than 40 units; held conferences to solicit views from many leading, managerial, and research cadres; initially reviewed the actual situation of economic management in our country's production installations; made studies about and drew conclusions from experiences recently gained by a number of fraternal socialist countries; and compiled this experience into a general proposal which was then sent to party committees of provincial and municipal echelons and to committees, ministries, and sectors at the central level to gather more views before presenting it to the Political Bureau. The Political Bureau carefully discussed and reached a high unanimity of views on the proposal issues, and decided on the promulgation of this resolution.

As the renovation of economic management is still very new to us, the Political Bureau considers the approved resolution only a draft resolution so that all sectors, echelons, and production installations will have enough time for implementation. Some time after the promulgation, a general review will be made to draw experiences, the document will be further improved, and then it will be promulgated as an official resolution. In doing so, we will actively and in a timely manner serve the promotion of production and business of basic units in the immediate future while ensuring caution and steadiness.

## II. The objectives, requirements, and principles of economic management renovation at this juncture

A. Evaluation of some features of the recent situation of economic management. Our party and state have long taken an interest in setting forth guidelines for economic management renovation, abolishing the centralized and bureaucratic subsidization system, and shifting to the socialist management and trade system.

As stressed in the resolution of the fourth national party congress, we have maintained the bureaucratic subsidization management system too long and have set the task of effecting a profound change of direction in economic organization and management. The fifth national party congress has reaffirmed the establishment of a correct management and planning system and renovation of the current management and planning system, abolition of the bureaucratic subsidization management system, and the need to overcome, in one way or another, conservatism, sluggishness, irresponsibility, and indiscipline. The congress also reaffirmed the need to develop the driving force of collective mastery and to enhance dynamism, creativity, and the sense of responsibility and discipline.

These thoughts, viewpoints, and basic guidelines regarding economic management renovation have been gradually materialized in accordance with the resolution of the sixth plenum of the fourth party Central Committee and of the sixth, seventh, and eighth plenums of the fifth party Central Committee in particular.

Implementing the party Central Committee's resolutions, the party Secretariat has issued Directive No 100 on product contracting in agriculture and many other directives for the consolidation and strengthening of socialist production relations in agriculture, forestry, and fishery. The Council of Ministers has issued many important documents on industrial management, such as decision 25-CP and 26-CP, Resolution 156-HDBT, and so forth.



As observed and evaluated by the resolutions of the plenums of the fifth party Central Committee, these correct guidelines have helped to gradually lift any restrictions imposed by the centralized and bureaucratic subsidization system, to gradually develop the autonomy and uphold the responsibility of various installations, echelons, and sectors; to arouse the dynamism and creativeness of the working people and leading and managerial cadres to overcome difficulties; to exploit available potential in order to boost production and trade; and to achieve new progress and encourage changes on the economic front, especially on the agricultural front.

Many models of fairly effective production and trade in agriculture, small industry, handicrafts, industry, trade, and service have appeared in various areas. Their valuable experiences have exerted a strong impact on the change of our cadres' economic concept and have positively contributed to gradually raising the level of leadership and economic management of various echelons and sectors.

To date, the centralized and bureaucratic subsidization system has not yet been basically abolished, however. The socialist trade system has not yet taken shape. Those outdated policies and systems are currently impeding production. The recently promulgated management systems have remained patchy and inconsonant and brought no practical results because some amendments have been made only by lower and not upper echelons. The systems regarding planning, finance, credit, prices, material supply, consumption of products, export-import operations, and the organization of apparatuses still show the prevalence of centralism, bureaucratism, and subsidization and their main characteristics, which consist of managing the economy mainly through administrative orders, with importance attached to distribution and delivery, failing to combine authority with responsibility as well as interests with obligations. Guidance and management works have shown a lack of dynamism and creativity, failing to promptly respond to the development of production and trade at the installations. The management mechanism has failed to distinguish the state function of administrative and economic management from the function of production and trade management.

Since this mechanism is cumbersome and heavy with many strata and inefficient intermediary links, has failed to fulfill its function, and has, in fact, intervened too deeply in the installations' (?operations), it cannot encourage and prompt these installations to vigorously shift to the socialist trade system. This is the most important reason for the fact that the available manpower, land, and material and technical bases have not been satisfactorily exploited. Many enterprises have been able to function at only about half of their capacity, have not produced efficiently, and have long incurred losses. The centralized bureaucratic management system, weaknesses in work organization and implementation, and weaknesses in management have created favorable conditions for development of the inherently unorganized and undisciplined small-scale regional production as well as the spread in many areas of corruption, waste, and other negative phenomena, which have not been restrained and reduced, thus creating bad socioeconomic consequences.

These shortcomings have restricted development of the laboring people's collective mastery, have restricted the authority and responsibility of socialist economic units in production and trade and of various echelons and sectors in leadership and economic management. On the other hand, leadership and unified and centralized management by the central government cannot be ensured.

Why has the centralized and bureaucratic subsidization system not been abolished so far? We have our objective difficulties and have been deeply influenced by the wartime management system implemented under the conditions of the past protracted war.

We still lack historic patterns and the necessary knowledge and experience in the organization and management of our economy to advance it directly from small-scale production to large-scale socialist production.

Although our leadership and guidance are subjective, we are responsible for the following main shortcomings:

1. We have not yet grasped the characteristics of the socioeconomic situation in our country, which is currently in the initial stage of moving from small-scale production to large-scale socialist production. Our production of goods has not yet developed. There remain many economic components in which the state-run economy plays the leading role, which is actually still weak. The collective economy has been built widely, but still remains weak in many respects, failing to fully manifest the superiority of socialist production relations in production and trade. Other economic components and forms still maintain an important position and role in our national economy.

The imbalance of our country's postwar economy is very serious in many aspects and has become even more serious because we have not yet rearranged and reorganized production rationally in accordance with a socialist economic strategy and with a correct economic structure. In general, this economic situation has not yet been stabilized and so forth.

Because we have not grasped the characteristics of this situation and have even lacked the necessary knowledge about and experience in managerial work, we have mechanically applied the basic principles of economic management and socialism. Our economic management experience has been inconsistent with the characteristics of our country's economy. Because we have not properly applied the laws of value, goods and currency, and supply and demand in the production of merchandise, we have failed to develop the positive aspect of these laws and to restrict their negative aspect, instead allowing these laws to apply in a spontaneous manner and control the economy, thus creating difficulties for us. We are conservative and sluggish in correcting shortcomings and in renovating our economic management system.

2. In organizing leadership and working methods, we have failed to scrupulously implement the principle of democratic centralism in party leadership and state management, showing at the same time a lack of democracy and centralization and a failure to strictly observe discipline and the law.

As far as our managerial work is concerned, it is actually neither centralized nor democratic. Conservatism and sluggishness have persisted. Centralism and bureaucratism are prevalent, but the center has really failed to achieve unified leadership over the most important national problems. At times and in some places, people have acted on their own free will because democracy had become bogged down with formalities. As a result, it is impossible to develop the creativeness and concentrate the minds of the entire party and of various echelons, sectors, and installations on correctly handling the serious problems of life. Attention has not been paid to properly organizing economic information work and to the study of the latest developments of the theories and policies of our fraternal socialist countries on economic management. Our biggest shortcoming is our failure to materialize the party's guidelines, policies, and resolutions on economic management. In fact, after the fifth party congress the resolutions on economic management renovation, including the resolutions of the eighth plenum of the party Central Committee and of the Political Bureau, should have been promulgated several years earlier; but, in leadership and guidance work, we have failed to stay close to and penetrate realities, listen to the opinion of lower echelons, and recapitulate practical experiences in managerial work nationwide in order to promptly develop what is correct, overcome shortcomings, and create an appropriate new management system and policy.

For this reason, we have allowed many different observations, concepts, and viewpoints to develop and prevail in economic management work, thereby creating a situation where policies and actions are not unified while weakening the state's centralized and unified management and seriously restricting the autonomy, initiative, and creativity of the popular masses and primary economic units.

3. We have not satisfactorily carried out the organizational task and cadre work as well as the ideological work and task of developing the masses' collective mastery.

B. Here are the objectives and requirements of economic management renovation for this time;

We must resolutely abolish the centralized and bureaucratic subsidization management system, apply the socialist accounting and trade system, and ensure the full autonomy of primary economic units in production and trade under the unified management of the state, while renovating the general management system, with the aim of correctly applying the principle of democratic centralism, strongly developing the driving force of the working people's mastery, and upholding the authority and responsibility of the installations, echelons, and sectors in order to accelerate the three revolutions and develop production and trade with higher productivity, quality, and efficiency. On this basis, we will stabilize and gradually improve the working people's lives, create and increase sources of accumulation for our socialist industrialization work, consolidate and perfect socialist industrialization work, consolidate and perfect socialist production relations, smash all the enemy's sabotage schemes and maneuvers, effectively combat all negative phenomena, properly protect our socialist property, and strengthen our national defense and security.

C. We will achieve autonomy and the assumption of responsibility of primary economic units against the following background:

Our country is currently in the initial stage of the period of transition from small-scale production to large-scale socialist production. It can be said that our economy, which is at a low level, still remains backward. There remain many economic components. Our production of goods has not developed. We do not have a correct economic strategy and structure. It is necessary to mobilize all economic forces and components to exploit all potentials and develop production in order to secure many more jobs for the working people and turn out large quantities of goods for society. We must consolidate and strengthen the state-run and collective economies in all aspects to enable our socialist economy to serve as the core, while the state-run economy can really play the leading role in our national economy. There must be many organizational forms and appropriate policies to use in a newer way and properly reform other economic components.

Very serious imbalances still exist in our economy. In many irrational cases, the operating capacity of many production installations was at a very low level. Therefore, along with guaranteeing the right to autonomy of basic units, we should urgently conduct economic restructuring, as set forth in many party resolutions. Equally we should focus production conditions on essential products and key enterprises in order to create stable production conditions to the highest level possible. With these means all enterprises can advantageously apply the new management mechanism. Meanwhile, we should shift the production direction wherever necessary, tap sources of energy at home and abroad, and create advantageous conditions for non-priority economic units so they can operate according to an appropriate mechanism.

The situation of prices, wages, and money remains unstable. Prices are soaring, the monetary value is declining, and many complex developments still exist in the market.



That situation has adversely influenced the production and business activities and economic accounting of enterprises, and has negatively affected the minds of managerial cadres and the working people.

Actively striving -- in the spirit of the 8th, 28th and 31st resolutions -- to bring about at an early date the stabilization of prices, wages, money and the ecosocial situation also promotes favorable conditions for the renovation of economic management of basic units. Conversely, renovating the economic management of basic units also will significantly stabilize prices, wages, and money situation.

The socialist legal system has not been scrupulously implemented. Legal infractions at economic units are very serious. Manifestations of disorganization, indiscipline, localism, and individualism are fairly popular at state management units and economic management units. The managerial apparatus capacity remains very limited. Socialist democracy and the socialist right to collective mastery have not been correctly and adequately carried out. The levels of consciousness on, and capability to exercise, the right to mastery of workers and civil servants in the rural and urban areas and among the sectors of economy still greatly differ and, in general, are still low. The contingent of managerial cadres has matured one step further, has been initially trained and fostered in economic management, but the switching from the bureaucratic and subsidy-based management mechanism to socialist economic accounting and socialist business is still heavily imbued with conservatism and old customs and habits of the old way of doing things, and is still new and inexperienced with respect to modern managerial practices. Party and mass organizations in many state-run installations have not been perfected. Party and mass organizations in many collective economic installations remain weak. The petty bourgeois psyche of small-scale production and the influence of feudal and bourgeois thinking remain popular in society, in the party, and in the contingent of leading and managerial cadres.

However, we also enjoy advantages: We have initially renovated by one step the economic management task through the 100th and 67th directives in agriculture issued by the Council of Ministers as well as through the 25th and 26th CP/HDBT which were decrees issued on a trial basis and further clarified by the 6th, 7th, 8th, and 9th resolutions of the Central Committee. The time is now ripe for the requirement for economic management renovation to be applied. The implementation of the new management mechanism in basic units has brought about good results in many aspects; many areas have had practical experiences: All the echelons, sectors, and basic units that have good ideas and good ways of doing things are awaiting the new mechanism.

This resolution of the Political Bureau will exert a very great impact on its implementation. The Secretariat and localities have carried it out in pilot units and have scored practical results. In the time to come, the renovation of the general management mechanism will exert a greater impact on the production and business activities of basic units.

The renovation of economic management being conducted in other socialist countries is exerting its impact on awareness and thinking, and may give us good experiences. The Soviet Union is vigorously carrying out the renovation of its economic management mechanism. Comrade Gorbachev said at the 27th CPSU Congress: It does not mean we are confining our work to partial renovation; it means conducting a basic reform in the economic management mechanism.

In such a context, we must guarantee the right to autonomy and intensify the responsibility of basic economic units in production and business. We must carry it out resolutely, urgently, systematically, steadily, and effectively. Equally we must adopt uniform and well-gearred measures, and must create the necessary conditions to ensure its implementation.

In view of the above situation, the new management mechanism must be dynamic and applied creatively and close to reality and in line with the basic principles of the socialist economic management system.

A. First of all, we must correctly implement the principle of democratic centralism in economic management, guarantee the state's centralized and unified leadership and management in essential matters relating to the national economy as a whole and the people's lives across the country, while ensuring the full autonomous rights of basic economic units and the dynamism and creativity of all echelons and sectors. We must consistently guarantee the autonomous rights of basic economic units in production and business while intensifying the central government's efficiency in leadership and centralized and unified management. There are two aspects of the principle of democratic centralism which are mutually related, vigorously develop the dynamism of basic units, and raise state efficiency. To guarantee and expand the autonomous rights of basic economic units, we must accelerate renovation, intensify the central government's centralized and unified management so as to make it practically efficient, and must achieve a rational management decentralization between the central and local levels.

Regarding state management organization, we must clearly distinguish between and coordinate well the function of state administrative and economic management and the function of management over production and business in each echelon and unit.

The new management mechanism requires reorganization of economic management apparatuses from the central to the provincial and district level, primarily at the central level, in ministries and sectors; and resolutely trimming intermediary and overlapping links in the management apparatus from the central down to the local level. Equally it requires the guidance of managerial tasks of ministries and central-level sectors toward the full implementation of all the following functions of administrative and economic management: drawing up projects and plans; defining economic-social, scientific, and technical strategies; delineating production sectors and zones; establishing general diagrams for production forces deployment; setting guidelines and tasks and ensuring essential balances in the national economy, in the key national development plans, as well as in economic and financial policies, including the policies on prices, wages, credits, and currency issuances; foreign economic, scientific, and technical policies; technical systems; economic decrees; formulating and carrying out well projects and plans for training, fostering, and using cadres; intensifying inspection and control of observance of policies and regulations; and correctly implementing the principle of party leadership, the working people's collective mastery, and state management at each production installation, each echelon, and on a national scale. At production installations, we must create conditions for workers' and civil servants' collectives to genuinely assume their role as masters of the enterprise with the director being at once the representative of the state and the workers' and civil servants' collective and having the highest responsibility in organizing and managing production activities [words indistinct] the enterprise.

B. Use planning as the centerpiece and implement socialist economic accounting and business.

Guaranteeing the autonomous rights of basic units must be aimed at shifting enterprises to socialist economic accounting and business on the basis of using planning as the centerpiece.

Apply specific rules of socialism while correctly putting into practice the rule on values and commodity-currency relationships; linking goods production to goods circulation through appropriate homogeneous economic policies and economic contracts; linking rights and interests to responsibilities and duties; harmoniously coordinating the three types of interests, ensuring the social interest which the state represents, and paying adequate attention to the interests of production installations and the worker. Implement the principle of distribution according to labor in accordance with the situation and tasks in each sector and locality. We must boldly apply the use of adequate material incentives for workers, and in doing so, we must encourage the promotion and enhancement of working capacity and individual initiatives, and link the workers' interests to his responsibility and the results of his work. Along with using material incentives, we should apply rules of ideology and social psychology, and use political and moral motivations, in order to create a vigorous revolutionary driving force.

C. Closely coordinate the three types of measures in management, with the economic measure being the basic one.

We must attach very great importance to using correctly administrative measures, and must organize and develop the very important role of political and ideological education, especially in the situation of the struggle against the enemy's multifaceted war of sabotage and the struggle between the two paths being waged in an arduous and complex manner. We must uphold discipline and the socialist legal system, particularly economic laws.

D. Coordinate management according to sectors and management according to localities and territorial areas, in order to fully develop the rights, responsibilities, and strength of all sectors and echelons as collective masters, in accordance with the conditions and characteristics of each sector and area; create the necessary conditions for economic units, and require their efficient operation. We must make economic efficiency on the national scale an objective in rearranging and reorganizing production and carrying out labor division and decentralization in economic management.

### Part III

BK250612 Hanoi Domestic Service in Vietnamese 1100 GMT 24 Apr 86

[First half of Part III of six-part speech by Vo Chi Cong, member of the Political Bureau and secretary of the CPV Central Committee, to 17-21 April Hanoi Conference of Cadres -- read by announcer]

[Text] III. Fundamental Issues Concerning the Mechanism of Economic Management for State-Run Economic Units at the Grassroots Level

To date, the state-run economy has seized the key positions and the commanding high points of the national economy. It has controlled the banking sector, monopolized foreign trade, and controlled all the principal sources of supply, all the sectors that produce the key means of production, and a major part of the industry that turns out essential consumer goods for society. With such a position and actual strength, the state-run economy should have achieved higher productivity, quality, and efficiency to be worthy of its leading role in the national economy. For many reasons, chiefly our lack of a correct mechanism of economic management, the state-run economy has, until now, been unable to fully develop its strength and leading role. The state-run economy is still far more heavily influenced by the mechanism of management based on bureaucratic centralism and administrative subsidization than the collectivized economy. That mechanism is seriously hindering the development of the state-run economy, confronting it with more difficulties than other economic components in production and business.



Some state-run units are even doing a poorer business than their collectivized counterparts. Therefore, the elimination of the mechanism of management based on bureaucratic centralism and administrative subsidization for the basic economic units is necessary first of all and most urgently for state-run economic units.

United enterprises, enterprise combines, enterprises, general corporations, corporations, and state-run shops -- generally referred to as enterprises -- are entrusted by the state with the right to use part of society's means of production to carry out production and business according to plan in order to serve the interests of the entire country, the collective, and the working people. Enterprises must be held fully responsible for their profits and losses in production and business; and they must operate at a profit.

To renovate economic management over enterprises the Political Bureau's draft resolution sets forth many rules governing very fundamental issues that are common to all enterprises so that the state can proceed from there to issue specific regulations suited to the special characteristics of every type of industrial, agricultural, construction, transportation, trade, and service enterprises having different sizes, organizational levels, technical equipment, and operational methods.

A number of specific documents of the state on temporary stipulations on planning, material supplies, home and foreign trade, finance, banking, prices, and labor will be presented in this conference in order to further concretize the Political Bureau's draft resolution and get your opinions prior to the official promulgation of the resolution. Now I am only going to briefly outline the important issues raised in the Political Bureau's draft resolution:

1. Concerning planning and economic accounting: First, all activities of an enterprise must be reflected in a unified production, technical, and socio-financial plan irrespective of the source from which materials and funds are obtained. As an immediate task, this enterprise must prepare and implement satisfactorily its annual plan while devising a 5-year plan to expand itself, renovate its technical and industrial programs, and bring production and business to increasingly better play. Based on the orientation, targets, and tasks brought forth in the state plan; on the capabilities of obtaining supplies from various sources and consuming products through the guidance by its direct management organ; and on goods placement orders and economic contracts, the enterprise must take the initiative to devise a plan for itself and submit it to the management organ of higher echelons for consideration and approval.

Thus, the state will carry out planning for enterprises' production and business activities by both the direct methods -- that is, through the assignment of legal norms; and the indirect method -- that is, through various systems and policies encouraging enterprises to support themselves with more materials and seek more customers for the consumption of their products in order to develop production and business. In addition, it is imperative that each enterprise have only one unified production and business plan, thus ending the problem of within-plan or above-plan production.

In devising and implementing a plan, economic contracts are increasingly becoming a main tool of legal character to compel all signatories to strictly comply with these contracts and take responsibility before the law on this implementation.

Although the important role of economic contracts and of economic arbitration organs in judging the violations of contracts was clearly pointed out in the resolution of the fifth party Central Committee's sixth plenum, the implementation of economic contracts has not yet been carried out in a satisfactory manner.

In the coming period, efforts must be made to consolidate and enhance the system of economic contracts and strengthen the organization and activities of economic arbitration organs in a more satisfactory manner.

In order to help an enterprise take the initiative in carrying-out planning, the management organs at higher echelons must quickly make public the guiding indices for planning, those materials and services to be supplied, production norms, economic-technical standards, various incentive policies of the state, and information on economic-technical activities at home and abroad connected with the enterprise's production and business.

Second, with the spirit of the state having to firmly grasp all those norms representing the ultimate goals of enterprises in production and business without touching on the norms reflecting the means with which to achieve the goals, the state will reduce the number of its legal norms assigned to enterprises. As for production establishments, depending on the specific situation on production and business of each particular kind of enterprise and good, the management organs at higher echelons must directly assign to each enterprise one to three legal norms as follows:

-- Output value to be attained, including export value if any.

-- Quantities of key products complete with set stipulations for quality and consumption in accordance with the plan and contract, citing the quantities reserved for use in national defense and for export if any.

-- Budget revenue contributions, including income and other earnings.

For important products, the state must definitely set legal norms for the output realized. Nevertheless, not all types of goods must necessarily be subjected to legal norms in kind. For those enterprises whose production activities cannot be guaranteed with state-supplied materials and which thus procure supplies and other materials for production chiefly by themselves and are therefore unstable, the state needs only to assign a single legal norm to cover the contribution of revenues to the state budget. Therefore, the Political Bureau's resolution lists from one to three norms; and the state shall specifically assign these norms to each type of product and each type of enterprise. Pending suggestions and proposals, for all types of enterprises it is necessary to assign only one legal norm to cover the contribution of revenues to the state budget. The socialist state does not aim only to increase its budget revenues, it also seeks to guarantee support for production and consumption in society. But, in reality, there are more than a few cases in which the enterprise exceeds the norm for budget revenue contributions, but its products do not meet the requirements upon reaching the market. Therefore, it is impossible to simply assign the enterprises a single norm to cover budget revenue contributions.

Besides the legal norms, depending on the managerial requirements for each type of enterprise, managerial organs at higher echelons may issue guiding norms as necessary. Concerning production costs, the state does not generally assign legal norms. This is because once the enterprises are held responsible for losses and profits in production and business, they themselves are compelled to seek every way to lower production costs. Enterprises must set the criteria for reducing the rate of material wastage or for lowering production costs on the basis of carefully calculated norms and unit prices.

Concerning the materials supplied to enterprises for production purposes, the state shall assign legal norms to the designated material supply, transportation, and service organizations, and inform the enterprises of this so that bilateral economic contracts will be signed.

Third, it is necessary to reduce the tiers of direct higher-echelon management over enterprises and to revise the procedures for examining and approving the completion of plans in order to make it more convenient to the enterprises. Enterprises are only subjected to the direct management of a managerial organ at the next higher level, which is the responsible ministry in the case of central enterprises and the people's committees of provinces, municipalities, and districts or precincts for the local enterprises. Enterprises must defend the acceptance of plans and be subjected to the examination and approval of plan completion before leaders of the direct managerial organs. Other organs such as the planning, statistical, financial, and banking organs are responsible for supervision and control and for dealing with issues pertaining to their functions of state administrative and economic management.

For a number of key enterprises and projects in particular, the State Planning Commission and the responsible ministries shall guide in the formulation of plans and submit them to the Council of Ministers for direct promulgation. The responsible ministries are responsible for supervising the implementation of these plans.

Fourth, all enterprises must carry out economic accounting and observe the open financial system to ensure the authenticity of records, statements, and reports. For every type of record, an enterprise keeps only one book to truthfully and accurately reflect the results of its own production business and distribution activities. To guide the enterprises in correctly carrying out economic accounting, the state shall promulgate a regulation on bookkeeping and statistics for uniform application nationwide to suit the new mechanism of management.

## 2. Concerning material supply and product consumption, including through export and import.

A. Concerning material supply, the fundamental viewpoint of the Political Bureau's draft resolution is to abolish the supply of materials by the state under the system of material supply and product delivery and to shift the supply of materials to the purchase and sale of materials, according to plan, between enterprises and material supply organizations through economic contracts. At the same time, it is necessary to guarantee the supply of materials to the enterprises in strict accordance with the terms stated in the contracts. To do so, we must truly reorganize the network of material supply and totally shift the activities of socialist business organizations in accordance with state plans and policies. For this reason, the resolution stipulates: The organ that assigns plans is responsible for guaranteeing the supply of materials and other material conditions as already made known to the enterprises, and the designated material supply, transportation, and service organizations have the responsibility of signing and fully honoring the provisions stated in the contracts. Enterprises must carry out fully the task of distributing products according to plans and contracts. The party that fails to honor its responsibility fully shall be subjected to material penalties as provided for in the signed contracts.

It is necessary to ensure that production and business establishments can receive their supplies from the most convenient sources, from the shortest distance, and at the least expense without going through unnecessary intermediary links. Large consumers such as power and cement plants, in the case of coal, may be allowed to receive supplies directly from the producers.



To acquire additional supplies, enterprises have the right to effect integration and cooperation in business with other economic units and are allowed to buy directly or through economic contracts with production units and trade organizations raw materials produced by the collectivized, private, and family-based economies, without going through private traders.

B. Concerning product consumption, the fundamental viewpoint is that products turned out by state-run enterprises must primarily be distributed through socialist trade organizations to carry out distribution according to plan and meet society's general demands and that the socialist trade sector must ensure the consumption of products turned out by state-run enterprises in accordance with the signed contracts. If problems arise from the implementation of contracts, the violating party shall be penalized. If the designated trade organization fails to ensure the consumption of products as provided for in the contract, the enterprise shall report the matter to the next higher echelon managerial organ for settlement.

On the other hand, it is also necessary to broaden the enterprises' right to distribute their own products under certain circumstances. For a number of fresh and raw products that are hard to maintain and transport and are not included in the nomenclature of products falling under the state's unified management, the enterprises are not necessarily required to distribute them through the trade sector. When it is deemed to be more rational to distribute these products by themselves, the enterprises may organize their distribution, but they must scrupulously observe state policies on prices and market management. The state permits enterprises to set up service units to guide in the operation, maintenance, and repair of technical products they manufacture and allows enterprises that have the right conditions to open shops to introduce their new products in accordance with state regulations on business registration, goods circulation, and services.

C. Concerning the creation of more supply sources and the consumption of products through export-import contracts:

It is the Political Bureau's view on this issue to encourage enterprises to develop strongly their production of export goods and their export-import activities under centralized and unified state control over foreign trade and foreign currencies and to overcome quickly the existing disorderly and negative situation in the trading of exports and imports. Therefore, the resolution specifies that the state must have a policy on the right to use foreign currency and must rationally distribute export-import revenues to encourage various establishments, echelons, and sectors to increase the production and trade of export goods while compelling enterprises and localities to carry out export-import activities through export-import organizations arranged according to the commodity lines. These organizations are set up in accordance with the principle of each kind of key product being directly handled by only one export-import organization under unified state control over foreign trade and foreign currencies. Particularly, regarding those unions of enterprises or large enterprises having enough conditions, the state will authorize them to carry out export-import activities directly and to conduct joint economic transactions with foreign countries. Naturally, these enterprises must ask for permission to do so and must operate according to stipulations set by the state.

To help enterprises seek to understand the demands and tastes of their international customers, various sources of technical materials, and those goods which can be traded in the world market, the state will create favorable conditions for exports manufacturing enterprises to approach the world market in accordance with a well organized and managed plan.

On the other hand, the state will exercise a policy of encouraging all enterprises to boost the production of products that we have, for a long time now, had to import.

3. Regarding enterprises right to financial autonomy:

First, above all, the state will encourage enterprises to increase quickly their capital investments in production and business. In addition to the capital allocated by the state at the beginning of the basic depreciation funds, and the amounts of revenue left by the state for enterprises, these enterprises are allowed to create more self-obtained funds, mainly through efforts to develop production, increase output, and reduce production costs to increase their authorized income shares.

The economic cooperation and integration among economic units must be aimed at developing production and business activities and creating surplus value to increase the income share obtained from surplus value and left for enterprises. All attempts to earn profits illegitimately from price differences through trade activities are forbidden.

To help and encourage the enterprises to increase rapidly their capital for developing production and business activities, the state has adopted a policy of allowing the enterprises, depending on the status and requirements of production and business activities in each enterprise, to retain in part or in full their basic depreciation funds for use in making investments, renovating technology, and expanding production and business. When not in use by the enterprises, these funds must be deposited with the banks. In particular, regarding large enterprises newly built with large capital investments by the state, the state finds it necessary to retrieve partially the basic depreciation funds for investment in the building of other projects.

For a number of major products, for which the state still has to subsidize losses, it is necessary to maintain temporarily the profit quota system and enterprise wholesale prices. However, efforts must be continued to find better work methods.

State-run business revenue collection will be replaced by an appropriate form of taxation. Enterprises are encouraged to increase unlimitedly their nontaxable funds for production development. No maximum will be set for the welfare and bonus funds of enterprises, but the state will regulate these funds by imposing an accrued excise tax when they exceed a certain limit. The regulation of these two funds will be dropped when the state proceeds to tax the income of the working people.

These financial policies reflect the spirit of ensuring conditions for enterprises to quickly accumulate capital in order to develop production and business and renovate their technical equipment. At the same time, they also secure a constant increase in revenues for the state budget.

In addition to the self-procured capital, enterprises may obtain loans from banks and foreign countries -- including money of overseas Vietnamese -- in case the banks cannot meet their demands for capital on a timely basis. Enterprises may also temporarily mobilize the monetary assets of workers and civil employees in the enterprises by giving appropriate interest with the guidance of banks. Henceforth, it is necessary to create positive conditions for shifting all the liquid assets and large amount of necessary capital investments to the form of credits.

Second, enterprises may take the initiative to use both self-procured capital and loans -- including foreign exchange -- and may use their various funds flexibly.

Nevertheless, by the end of the year the money used flexibly in this way must be returned to the appropriate funds for the development of production and business and for in-depth investment in small and medium-scale construction projects.

As for cash, enterprises may keep some reserve necessary to daily production and business operations in accordance with the plan for cash registered with banks. Moreover, enterprises must open accounts with banks and make payments through transfers of funds and bank cheques. They may open two accounts for production and capital construction with a bank deemed convenient to them.

Enterprises' capital deposited in banks may draw interest in accordance with the common policies and may be withdrawn easily whenever it is needed. Enterprises producing export goods and dealing in exports and imports must deposit their foreign exchange with banks. They are forbidden to use foreign exchange inconsiderately even though they may use it and are authorized to transfer the right of using foreign exchange to other economic units in accordance with the state regulations.

With a view to satisfactorily supporting production and business in enterprises, the state should rapidly reorganize the banking sector and clearly distinguish the network of national banks performing the function of state administrative and economic management with respect to the issuance and circulation of money from the system of professional banks assuming the function of dealing in currencies and other banking service operations.

It is necessary to promptly modify the outdated operational institutions, policies, systems, and procedures of banks and institute policies to guarantee the value of deposited money with proper interest and to ensure that money can be deposited and withdrawn easily and conveniently, actually shifting the professional banking systems to socialist business accounting transactions with high results. The people must be encouraged to put their monetary savings in banks. All production and business organizations must also be encouraged to make payments through transfers of funds and bank cheques, enabling banks to secure many assets including foreign exchange and to extend timely loans to economic units for production and business purposes.

4. With respect to pricing, the essential is to ensure unified leadership of the central government over prices while simultaneously decentralizing the pricing authority to local governments and primary production installations in order to meet the requirements of production and business rapidly and alertly.

The state determines the prices of those materials and products placed under the unified state management control. As for other important commodities, the state will determine a tariff or standard prices. As regards these important commodities, enterprises may refer to the tariff and standard prices prescribed by the state to actively formulate their own pricing projects and to justify themselves before the price control agency.

As for secondary commodities not placed under the unified state management control, enterprises may fix their prices within the limit of a tariff prescribed by local government or they may fix the prices of these commodities on their own by making close and accurate calculations to compute production costs with a sense of full responsibility for actively helping stabilize prices in the social market and for opposing the move to run after the free market prices. Enterprises must strive to conduct profitable production and business on the strength of scrupulously complying with the state pricing discipline.



## Parts IV, V, VI

BK261356 Hanoi Domestic Service in Vietnamese 1100 GMT 25 Apr 86

[Conclusion of Part III and Parts IV, V and VI of speech by Vo Chi Cong, member of the Political Bureau and secretary of the CPV Central Committee, to 17-21 April Hanoi Conference of Cadres -- read by announcer]

[Text] 5. Concerning labor and wages:

A. As regards labor, in order to renovate economic management, enterprises should rearrange and reorganize production, redeploy the work force, reduce indirect labor, and actively seek jobs for excess workers and those who can no longer do heavy work but have not reached retirement age.

Enterprise directors are authorized to select, train, and use workers depending on the requirements of production and business. They may commend, reward, or discipline -- including dismissal -- workers and civil servants on the basis of the state and trade union laws. In selecting workers, priority should be given to the children of workers and civil servants and to the local people, primarily those who fall in with the prescribed policies, in order to resolve the problem of unemployed nonagricultural people and to form a contingent of workers for a long time to come.

If people in other localities must be selected, enterprises must discuss this with local authorities in order to promptly resolve any problems concerning the registration of households and benefits for the workers. The system of using labor on contract is a progressive policy. The implementation of this policy requires the simultaneous implementation of some other uniform policies and measures to ensure workers' benefits. Impatient, hasty, or inadequate action will easily generate psychological and social consequences. Consequently, in the immediate future, we should continue to experiment with the system of selecting nonstaff workers by contract in order to derive experience in formulating specific policies. A study should be made to perfect the labor insurance system and to publish the labor code.

B. Concerning wages: From now on, the state will no longer control the number of staff personnel nor the wage funds of enterprises. The immediate higher management agency of enterprises will refer to the wage fund based on the various unit price norms and results of production and business in enterprises to ensure that the principle for increasing the wage fund is commensurate with the increase in labor productivity and production and business results of enterprises.

Enterprises will refer to the state payrolls and pay grades and to unit prices in order to actively compute the planned wage funds. Enterprises may actively apply the various forms of paying salaries, giving bonuses, and extending the various contractual pay and product-based pay, and will not limit workers' maximum income, since an increase in income depends on an increase in labor productivity.

The state will urgently amend irrational regulations in the current pay system in order to apply more thoroughly the principle of distribution according to labor and to vigorously encourage workers to constantly raise their professional standards.

The state should also study and promptly prepare a system of seniority allowances in order to encourage skilled workers to work in enterprises for a long time.

6. Concerning science and technology: The application of scientific and technical innovations to production is a very fundamental issue and an urgent requirement. However, it is currently a weak point. Due to inadequate organization and policies we have not been able to really develop the ability of scientific and technical cadres, link scientific research with production and business, or vigorously apply the scientific research achievements to production and business.

The new system must basically resolve the problem of linking the Institutes of Research on Applied Sciences with the various primary production and business installations, and create material conditions for the scientific and technical activities to go into real life and develop their effectiveness.

The Political Bureau resolution emphasizes the existing policies and guidelines and specifies: With a view to encouraging enterprises to actively apply scientific and technical innovations to production and business, the state will authorize enterprises to keep for a certain number of years the additional income earned by applying scientific and technical innovations in order to supplement their funds. The state should further specify its policies to vigorously encourage enterprises to actively apply scientific and technical innovations to production and business.

7. We must correctly implement the system of party leadership, collective mastery by the laboring people, state management, and the one-commander system in economic management at the grass-roots level. This issue is new to us and we have not gained much experience in it. We should study and derive experience while working in order to formulate better regulations. Following are the Political Bureau's regulations on this issue for the immediate future:

A. The enterprises' party committees are duty-bound to perform well the political, ideological, and party development tasks in basic party organizations; the cadre task and the building of mass organizations in the enterprises in order to full develop the sense of responsibility of cadres and party members; and the collective mastery of workers and civil servants in the simultaneous conduct of the three revolutions and the implementation of the enterprises' socioeconomic plans.

The function of control must be performed adequately to ensure correct compliance with the party lines and policies and the legal and managerial systems of the state within the enterprises, and to create all favorable conditions for the directors to fulfill their duties.

B. Through the enterprises' councils, the conferences of workers and civil servants in enterprises, the conferences of collectivized workers in various production units and shops, and the activities of trade union organizations, the collectives of workers and civil servants will exercise their rights and duties as collective masters of the enterprises in various fields. They will participate in formulating the guidelines, tasks, and socioeconomic plans of the enterprises; in deciding the rational use of various funds in accordance with law and policies and the use of social welfare funds of the enterprises; in selecting, organizing, employing, observing, criticizing, rewarding, and disciplining cadres; and in controlling and supervising the various production and business activities and the implementation of economic management policies and systems by the directors. They will also petition measures to develop good points and overcome shortcomings, and help decide on the enterprises' regulations consistent with the state law and system.

Under the leadership of party committees and the guidance of trade unions, workers and civil servants are duty-bound to build their units into a healthy labor collective with good culture, solidarity, dynamism, creativity, discipline, and ability to fulfill all assigned tasks well.

C. Directors are representatives of both workers and civil servants and the state. They are appointed by the state on the basis of consultations with workers and civil servants in the enterprises and recommendations by party committees. They have the authority and responsibility of taking the initiative to operate production and business in accordance with the plans approved by higher echelons. This includes the arrangement, deployment, and organization of production and business in their units and the selection of various ways to use and pay workers in the enterprises.

Regarding the organization of the management machinery and the placement of contingents of assisting cadres, directors issue decisions based on consultations with workers and civil servants in their enterprises and on discussion and agreement with the party committees. The chief accountants are appointed by the state.

The appointment of deputy directors is decided by the higher echelons on the recommendation of the directors and after consulting and agreeing with the party committees. If the party committees and directors have differing views, both views must be reported to higher echelons for consideration and solution.

Directors may recruit, train, reward, and discipline workers and civil servants. They may even dismiss those who have failed to fulfill their tasks in contracts after properly consulting with the leading trade union agency. They must organize and control the security and self-defense forces to defend the enterprises' property.

Directors can be commended and rewarded for their good performance of duty and must be responsible for the results of production and business in the enterprises. The system of examining and assessing directors' annual performances must be implemented. If directors fail to fulfill their duty and prove to be unqualified for their positions, they must be replaced.

In order to better implement the system of party leadership, the people's collective mastery, state management, and the regime of managerial responsibility in enterprises, the state should promptly amend the regulations governing the state-owned industrial installations, the enterprises' directors, the councils of enterprises, and the chief accountants of enterprises. It is necessary to study, supplement, and promptly submit decision No. 182-CP to the Political Bureau and the National Assembly so that the amended trade union bill can be passed.

The party Secretariat will consider and supplement decision No. 48-QDTU on the enterprises' party committees to make it suitable to the requirements of the new management mechanism. In order to permit workers and civil servants to actually participate in selecting their representatives -- directors of enterprises -- the appointment of directors should be experimentally made on the strength of confidence votes by workers and civil servants primarily in those enterprises where the party organizations and trade unions are firm and strong so that experience can be derived before such appointment can be extended to others.

#### IV. Handicrafts and Artisan Industry

A considerable portion of the Political Bureau's draft resolution is devoted to dealing with the economic management of handicrafts and artisan industry in the collective, family, and individual domains because the production of handicrafts and the artisan industry in our country hold a very important and lasting position, especially in the field of producing consumer goods and traditional fine art goods.



In the immediate future, handicrafts and artisan industry provide more than half of the consumer goods supply for domestic consumption, 20 percent of exports value, and a considerable part of production means to agriculture, forestry, and fishery. However, the state has not established a suitable mechanism of management to fully develop the operational potential and guideline for this production area along the socialist orbit.

The basic contents of some of the Political Bureau's policies towards handicrafts and artisan industry cooperatives and toward the family and individual economies in the production area of handicrafts and artisan industry are as follows:

1. Collectivized economic units of handicrafts and artisan industry which are generally called cooperatives, are duty-bound to register their production and business to be placed under the managerial, administrative, and economic control of functional state agencies. They must fulfill their tax obligations to the state and sell their products to the state-run economic units according to the economic contracts. They must constantly consolidate and perfect the relations of collective production, satisfactorily organize the material and cultural lives of their members, and absorb more social labor into production. Cooperative members must be organized and motivated to comply well with the state policies and laws and to struggle against all negativism in production and business.

Cooperatives are authorized to decide the form and scale of their own organization, the management procedures, and the guideline and plan for production and business in conformity with the general program and plans of the economic and technical sectors and the local authorities. They are supplied with materials according to economic contracts and are treated equally before law with respect to the implementation of economic contracts.

The state plans the production area of handicrafts and artisan industry through the various economic contracts to sell raw materials and purchase products or cottage industry contracts, and through the various economic policies. Cooperatives are authorized to consume their own products and distribute their own income. If the state wants to obtain more products in excess of the amounts on economic contracts, it will purchase them at prices to be agreed upon.

Cooperatives may procure their own capital even by mobilizing unlimited shares and borrowing their members' assets and paying interest as stipulated by the state bank. They may initiate action to use their own capital to constantly develop production and business.

The state will study and promptly amend the regulations governing handicrafts and artisan industry cooperatives. It will modify the procedures for running cottage industry and collecting and purchasing products, and will supplement and amend necessary points in the policies of prices, taxation, credits, and investment toward handicrafts and artisan industry.

2. As regards the family economy and the private individual economic elements in the production area of handicrafts and artisan industry, the state encourages workers and civil servants and members of handicrafts and artisan industry cooperatives in cities to develop the family economy. The state will protect, encourage, and assist small owners and individuals to develop handicrafts and artisan industry, the production of consumer goods, and some service sectors necessary to the people's life and export.

Those families, small owners, and individuals who produce goods must register their production and business, fulfill their tax obligations to the state, and sell their products to the state-run economic units in accordance with the signed economic contracts.

The state will institute policies to encourage them to sell an overwhelming majority of their products and goods mainly to the state-owned economic organizations and to authorize them to use those products that are turned out beyond the economic contracts and not placed under the unified state management control. The state-run economic units may obtain additional products by purchasing them at agreed-upon prices.

Concerning the private capitalist economic element, the state will completely abolish bourgeois trade through the application of several appropriate forms of transformation and will permit private capitalists to develop production in specific sectors and professions for a period of time in strict accordance with Resolution No. 12 issued by the Political Bureau on 13 September 1983 concerning the transformation of private capitalist industry and trade.

To mobilize more capital, equipment, and supplies from domestic and foreign sources to serve production and life, the state should promulgate at an early date an investment code and policies on foreign currency exchanges and on private and individual economic elements.

V. Concerning the collective economy, family economy, and individual economy in agriculture:

Since 1979, the party Central Committee Secretariat and the Council of Ministers Standing Committee have promulgated numerous policies on organizing and managing agricultural, forestry, and fishery production in grassroots units and at the district level. Many of these policies are having a positive impact and should continue to be satisfactorily implemented. However, up to now there still is no relatively perfect managerial mechanism for the grassroots economic units in agriculture. The Political Bureau has entrusted the party Central Committee Secretariat and the Council of Ministers Standing Committee with the task of guiding the reviewing of agricultural production, cooperative management, and preparing a plan for developing a managerial system for collective economic units in conjunction with renovating the general managerial system in agriculture. The Political Bureau will discuss this plan and make decision in 1986.

VI. Organization of Implementation:

1. The old managerial system has been in force for several years and has deeply influenced the thoughts and working style of all echelons, sectors, and people. Therefore, first of all, we must do a good job of promoting the study and thorough understanding of the Political Bureau's resolution at all echelons, in all sectors, and in the contingent of economic leaders and managers of grassroots units, and must widely propagandize and disseminate the spirit and contents of this resolution among cadres, party members, and the people to effect a drastic change in their knowledge, their way of thinking, and their work style and to create a vigorous revolutionary movement to participate in economic management renovation in all grassroots units, levels, and sectors. In the systems of party schools at all levels, and in all schools of economics, colleges, and middle schools, teaching projects and curricula must be promptly changed to conform to the spirit and contents of this resolution concerning economic system renovation. All means of information -- the press and radio and television stations -- must include in their daily programs the propaganda on and dissemination of the resolution and promptly bring into full play the results obtained by the grassroots units in implementing the resolution and rectifying any deviation.

2. The state should promptly promulgate various legal documents. In the immediate future, it should promulgate provisional regulations and policies -- attached to the Political Bureau's resolution -- on planning, finance, banking, import-export, use of foreign currencies, organization of material supply, price fixing, labor, economic contracts, and so forth, so that all levels, sectors, and grassroots units may implement them at an early date and quickly perfect them.

State organs at the central level should reexamine the documents they have promulgated up to now, abolish all regulations no longer appropriate, and complete the promulgation of a new system of documents. All provincial and city party and people's committees themselves must also reexamine their resolutions and directives to promptly correct any local regulations at variance with the spirit and contents of the Political Bureau's resolution and the provisional regulations and policies that the state is going to promulgate.

3. We must urgently study and decide on strengthening the organization of the central apparatus in strict accordance with the principle of clearly distinguishing between -- and satisfactorily combining -- the function of state administrative and economic management and the function of production and business management. The localities themselves must carefully study and conduct experimental work in a number of sectors and should wait for the general policy of the center before proceeding.

Satisfactorily implementing the new system depends on satisfactorily carrying out cadre work. We must promptly train cadres and reexamine the contingent of cadres. Any cadres deemed no longer capable of adapting themselves to their tasks and the new mode of management must be replaced promptly. Cadres of goods quality, virtue, and capability who are responsive to new things, who dare to think and to act, and who talk and work in accordance with the resolution must be employed as leaders and managers at various levels and in various sectors. First of all, they must be made directors or party committee secretaries of major enterprises, enterprise federations, and unions of enterprises. We must enhance party and mass organization building work in production and business establishments.

4. The renovation of management in grass-roots units should be carried out in an active and urgent but steady manner through appropriate and systematic steps and uniform measures. We must resolutely overcome conservatism, sluggishness, and unwillingness to change. At the same time, we must prevent or promptly overcome simplistic thinking and hastiness that may crop up in the renovation of economic management.

In guidance and management, the Political Bureau's draft resolution clearly points out: The Council of Ministers should directly guide pilot projects in a number of ministries, economic and technical sectors, provinces and cities, and important enterprises to gain experience for guiding this work in other places and to contribute to building the common managerial system. All ministries, sectors, and provincial and city party and people's committees should delve deeply into and maintain close contact with reality to study, control, supervise, assist, and guide grass-roots economic units in switching their operations to the system of socialist accounting and business. The party's departments and the political and social organizations must work out a concrete program of action to support the guidance of implementing this resolution.

After this conference, all sectors and localities should carry out the following tasks without delay: They must hold conferences to disseminate and promote a thorough understanding of the resolution, adopt plans to implement it, and guide its implementation at selected points to gain experience.



They must reexamine various systems and regulations and abolish any stipulations no longer appropriate; reexamine and reorganize the contingent of cadres; control and supervise the implementation of the resolution in grass-roots units; promptly bring strong points into full play, rectify any deviation in the process of implementation, and bring to light any problems that need to be attended to by the upper echelon; and contribute to building the common managerial system.

The Secretariat will strictly control the organization of the implementation of the Political Bureau's resolution at all levels and in all sectors and will uphold party discipline in implementing the resolution. The Political Bureau has decided to set up a subcommittee for guiding the study project on the general economic managerial system's renovation. The subcommittee should begin at once to prepare for the project.

With the correct contents of the Political Bureau's draft resolution; with the recent progress in perception and thinking; with the experience accumulated in each recent step in economic managerial renovation; and with all-out effort by all levels, sectors, and grass-roots units to satisfactorily implement this resolution, we will certainly make greater progress in guiding and managing the economy and will successfully carry out the socioeconomic tasks of 1986, thereby practically preparing for and welcoming the sixth national party congress.

#### RADIO REPORTS UN ENVOY REMARKS ON MIA ISSUE

BK010658 Hanoi Domestic Service in Vietnamese 1430 GMT 29 Apr 86

[Text] At the request of the U.S. side, on the afternoon of 28 April, Ambassador Bui Xuan Nhat, acting head of our country's mission to the United Nations, received at the mission's office in New York Senator Murkowski, chairman of both the subcommittee for Asia and the Pacific of the U.S. Senate Committee for Foreign Relations and the U.S. Senate Committee for War Veterans. Ambassador Bui Xuan Nhat reaffirmed the Vietnamese Government's unswerving humanitarian policy regarding the MIA issue and requested that the U.S. side make an official commitment to the 2-year plan proposed previously by the Vietnamese side in accordance with a bilateral agreement reached at a government-level meeting.

Comrade Bui Xuan Nhat criticized the recent attitude of the U.S. side and stressed: The United States has not only refused to make an official commitment but has also taken an attitude, through its words and deeds, that creates an atmosphere not conducive to the settlement of the MIA issue.

#### VO NGUYEN GIAP ADDRESSES CONFERENCE ON NUTRITION

OW300821 Hanoi VNA in English 0708 GMT 30 Apr 86

[Text] Hanoi VNA April 30 -- The international conference on applied nutrition under the sponsorship of the Institute of Nutrition of the Ministry of Public Health and the United Nations Children's Fund (UNICEF) closed here Tuesday after five days' sitting. Addressing the conference, Vice Chairman of the Council of Ministers Vo Nguyen Giap thanked the fraternal and friendly countries, international and foreign non-governmental organizations for their assistance to Vietnam in implementing its nutrition program. He said he hoped that this conference would develop the solidarity and mutual understanding between nations on the basis of friendship and cooperation in service of humankind.

NEW ZEALANDFARMERS 'BUZZ' PARLIAMENT OVER ECONOMIC CONDITONS

HK300936 Hong Kong AFP in English 0921 GMT 30 Apr 86

[Text] Wellington, April 30 (AFP) -- Five light agricultural aircraft buzzed New Zealand's parliament buildings here Wednesday as more than 8,000 farmers on the ground below protested plunging incomes and farm values. Farm leaders said it was the largest rural protest in the country in more than a generation.

The planes, used for spreading fertilizer and owned by protesting farmers, flew within 50 metres (165 feet) of the top of parliament building as cheering farmers below burnt and hung from trees effigies of Prime Minister David Lange and Finance Minister Roger Douglas. The mass protest was against what farm leaders called "unequal" government free-market policies which they claim have hurt the rural sector more than any other.

The farmers were protesting massive reductions in farm values, interest rate hikes of over 20 percent, plunging farm income levels and the sharp rise in the value of the New Zealand dollar which has made their produce uncompetitive on foreign markets.

Mr. Lange said after meeting with a delegation of farm leaders Wednesday that the rural sector did not seek a return to the subsidized protection they had enjoyed for the past decade under a conservative government. "For many people the transition from a decade of subsidized farming is proving extremely difficult, and for some it will be terminal," he said. But he said there was "a general conviction" that despite the pain, the government's present free-market policies were correct.

As the parliamentary sitting opened, opposition MP's carried a steer's head on a pole into the chamber and placed it on the Finance Minister's chair. Clapping and cheering broke out from farmers in the public gallery, before the offending steer's head was carried from the debating chamber.

Earlier this month, farmers tore the mirror and aerial from Mr. Lange's car and pelted it with placards as they vented their anger over government policies at the opening of rural research centre buildings on South Island.

## MALAYSIA

VOPM CARRIES 5 APRIL MCP DOMESTIC STATEMENT

## Part I

BK251317 (Clandestine) Voice of the People of Malaysia in Malay 1230 GMT 23 Apr 86

[Part I of 5 April 1986 statement by The Malaysian Communist Party Central Committee on the current domestic situation -- read by announcer]

[Text] The 5 April 1986 statement by the Malaysian Communist Party [MCP] Central Committee on the current domestic situation:

1. The wicked Barisan Nasional Regime, controlled by the United Malays National Organization [UMNO] clique, has brought increasing calamity to the country and caused the people greater suffering. At present, while the people are demanding a change in various unjust social conditions, all patriotic and democratic forces are uniting and seeking to establish a society that will hasten the end of the reactionary Barisan Nasional regime.

The MCP firmly supports the struggle waged by the people to establish such a society. As one of the people's revolutionary forces -- patriotic, democratic, and defending the main interests of people of various nationalities in the country -- our party is willing to cooperate with all patriotic and democratic forces to launch joint efforts to abolish our country's decadent society and establish a democratic, just, progressive, and prosperous country.

2. The comprador and bureaucratic capitalists in general and the Malay comprador and bureaucratic capitalists in particular have colluded with imperialists, relied on multinational capitalists, and greedily plundered national resources as well as cruelly exploited the working class. After plundering our national resources worth hundreds of millions of ringgit, they have become the most powerful and influential group in the country.

These oppressive and treacherous capitalists constitute one of the most reactionary and decadent forces controlling our country politically, economically, and militarily. They are also public enemy No 1 and a target of our democratic revolution. Together with their political representative, the UMNO-led Barisan Nasional regime, these capitalists continue to pursue their anticommunist, antipeople, and antidemocratic policy and are hostile to the patriotic and democratic forces seeking social justice, (?equality), democracy, and progress. Their actions have sparked increasing opposition from people of various nationalities in the country. [Passage indistinct] What Mahathir has been doing in his capacity as representative of the new Malay comprador and bureaucratic capitalists class in the political, economic, administrative, cultural, and educational fields since he assumed power is in line with the interests of the newly emerging Malay comprador and bureaucratic capitalists.

The rapid growth of the economic power of the Malay comprador and bureaucratic capitalists has enabled them to monopolize the country's economy and consolidate their economic position through political power.

To strengthen the political position, power, and influence of the comprador and bureaucratic capitalists and to enable them to plunder more national resources and enslave people of various nationalities, the Mahathir regime has accelerated the implementation of its reactionary policy by repeatedly amending various laws and gradually eroding the basic rights of the people to set up organizations, hold assemblies, speak their minds, publish, and exercise other democratic rights.



The regime has obstructed the just demands of the people and ruthlessly persecuted those with different political ideologies. It has also obstructed the activities of opposition parties. It has even insidiously tried to usurp and weaken the powers of the paramount ruler and the state rulers.

In line with the rapid expansion of Malay comprador capital, the ambition of these parvenu groups grows steadily. Their economic gains are still far from fulfilling their greed. In the economic sector, the Mahathir regime has enacted a series of reactionary laws to satisfy its greed. The regime has intensified the implementation of the so-called New Economic Policy and increasingly relied not only on the existing imperialists' capital, but also on the multinational capital from Japan and South Korea. The regime has plundered the national resources and exploited the people at a faster rate with a view to accelerating the growth of the Malay comprador and bureaucratic capitalists. The Look East policy, the concept of privatization, the heavy industries program, the concept of Malaysia Incorporated, the state agricultural program, and international trade and investment are mainly aimed at expanding the Malay comprador and bureaucratic capital at a faster rate.

In the organizational sphere, the Mahathir regime has taken a series of steps, including streamlining state agencies to ensure the realization of its political and economic targets. The popularization of high-sounding slogans, such as honesty and trust, leadership by example, diligence, austerity, and the application of Islamic values is aimed at winning the people's hearts, making itself famous, covering up its greed and cruelty, and attaining its political and economic goals.

As a political representative of the comprador and bureaucratic capitalist class, the Mahathir regime will never be satisfied with the political power and material wealth it already has. The regime will definitely impose its cultural and educational policies, which are in line with its political and economic systems.

The so-called national culture policy -- in reality an inhumane assimilation policy -- gross interference and domination of educational and academic circles, close supervision of arts and cultural performances, and steps the regime has taken under the pretext of applying Islamic values are all aimed at attaining the political and economic targets of the Malay comprador and bureaucratic capitalist class. The regime has also accelerated the implementation of the Malay-oriented and Malay chauvinistic policies that reflect the narrow-minded racial prejudice of the Malay comprador and bureaucratic capitalist class. The implementation of these policies is also aimed at dividing and destroying national unity, covering up the increasingly cruel class oppression and class contradiction, and diverting the attention of the Malay people from their struggle. This has caused serious racial polarization during the last few years.

The open pillage and exploitation of national resources do not satisfy the insatiable greed of this capitalist class, which abuses its position to make personal profits by sacrificing national interests, engaging in corruption, and mercilessly exploiting the working class. The Bumiputera Malaysian Finance loan scandal is just one of the major examples.

Indeed, all this reflects the greed and decadence of the comprador and bureaucratic capitalist class. As a result of the unequal distribution of the booty, more conflicts and quarrels due to conflicting political and economic interests have been intensified among members of the ruling clique.

In line with the rapid expansion of the comprador and bureaucratic capital, there have been more conflicts between the comprador and bureaucratic capitalists class and the working class, the national bourgeois class, and the feudal class.

There have also been conflicts among comprador and bureaucratic capitalists from different nationalities as well as other class contradictions in the country. Of all these conflicts, the most serious one is between the comprador and bureaucratic capitalists class and the working class. The growing conflicts among these different classes will inevitably bring about fresh social upheavals and give rise to the growth of the revolution.

The Mahathir regime is more dictatorial, greedy, reactionary, and decadent than the previous regimes. Mahathir's, personal traits -- such as being ambitious, autocratic, and bent on self-aggrandizement by implementing prestige projects -- have helped contribute to the burgeoning of the comprador and bureaucratic capitalists. Thus, only by overthrowing and uprooting the reactionary rule of this capitalist class can the misfortune and calamity affecting the people be terminated.

3. At present, the UMNO-led Barisan Nasional regime is facing the most serious economic crisis since the country's independence. The economic recession of the capitalist world still affects our country. The majority of the people in the country are not only being brutally exploited by the comprador and bureaucratic capitalist class but are also being affected by the economic recession caused by the deteriorating capitalist world. The country's economic growth has shrunk with plunging prices of primary commodities. Many factories and mines have stopped their operations and gone bankrupt. Unemployment has soared drastically and inflation has become uncontrollable. Foreign trade has recorded a staggering deficit, and state debts have accumulated. The Barisan Nasional economic policies, which are autocratic, monopolistic, and dependent on foreign countries, have caused the emergence of symptoms of poverty throughout the country. Poverty indeed is still a serious problem at the moment. The intensified implementation of the New Economic Policy by the Mahathir regime has widened the poverty gap between the rich and the poor. The falling prices of primary commodities have deeply affected the working class in general and rural people in particular.

Thirty years after the country's independence, the economic structure, which relies on primary commodity goods exports, remains essentially unchanged. Our country's economy remains closely related to the imperialists and the multinational monopoly capitalists so that it is unable to extricate itself from its control and influence.

Under the rule of the comprador and bureaucratic capitalist class, the national economy is completely under the control of this class. As this type of economy is heavily dependent on the multinational and foreign capital as far as finance, technology, machinery, equipment, and raw materials are concerned, its comprador nature is clearly evident.

The Mahathir regime is more monopolistic and comprador than the earlier reactionary regimes. Its foreign debt has grown fast since he assumed power, disregarding the interests of the country and people. It is evident that this regime is heavily dependent on multinational monopoly capital.

The special traits of the comprador and bureaucratic capitalist class have show that it will never build a national economic system that is exemplary, free, independent, and able to eradicate poverty and improve the people's living standards.

## Part II

BK281427 (Clandestine) Voice of the People of Malaysia in Malay 1230 GMT 25 Apr 86

[Part II of 5 April 1986 statement by the Malaysian Communist Party Central Committee on the current domestic situation -- read by announcer]

[Text] 4. The political situation in our country has undergone great changes over the past 2 years. The Barisan Nasional government, with the UMNO clique as its nucleus, is facing the most serious political crisis since it came to power. Its autocratic rule and imposition of heavy taxes have met with vehement opposition from the people of various nationalities. The people's desire for social reforms is growing stronger as is the struggle against the Barisan Nasional government. The patriotic and democratic movement is continuing to develop and win the warm support of the masses. The people of various nationalities are pressing their demands for the defense of human and democratic rights, the eradication of poverty, the abolition of cruel exploitation, and the eradication of corruption and manipulation. The Malay masses are rising up against the Barisan Nasional government's reactionary policies in the economic and political fields and its religious oppression and meddling. The persecution by the ruling UMNO clique of Muslims having different political beliefs, particularly the cruel and inhuman massacre and oppression of poor Muslims in Baling, has vehemently angered the Malays and met with continuous public criticism.

Meanwhile, the Chinese and Indian nationalities are stepping up their struggle against racial oppression and discrimination and for racial equality in various fields. The industrial workers are demanding a better life and opposing unjust dismissals and treatment. The civil servants are launching an enduring nation-wide struggle for pay increases without fear of threats and intimidation. The peasants, plantation settlers, and small holders are demanding an increase in the prices of agricultural products and are opposing illogical measures. The students and intellectuals are demanding academic freedom and are opposing pressure against the freedom of speech and publication. Due to the unfavorable Fishery Act, the fishermen are launching a struggle by boycotting fishing.

All this has dealt a serious blow to the reactionary rule of the Barisan Nasional government with the UMNO ruling clique as its nucleus. The fall of the Berjaya Party in Sabah has attested to the local people's dissatisfaction with the iron-handed rule of the Barisan Nasional government and reflected the people's immediate demands for reforms. The blatant action by Mahathir and his ilk in exerting pressure on the Parti Bersatu Sabah, in disregard of the Sabah people's desires, has drawn the attention and criticism of the public and leaders upholding justice. The arbitrary violation of the principles of parliamentary democracy, the cruel oppression of Muslims, deliberate efforts by Mahathir and his ilk to cover up the Bumiputera Malaysia Finance [BMF] scandal and the Memali incident, Mahathir's failure to keep his promises, internal struggles within the Malaysian Chinese Association, UMNO infighting, open rifts between Mahathir and Musa, rampant corruption and manipulation, the prevailing money politics, and so on have plunged the Barisan Nasional government's (?credibility) at home and abroad to its lowest ebb. The above-mentioned facts show that the situation is favorable to the people's efforts but unfavorable to the ruling clique.

5. The consciousness of the people of various nationalities is growing stronger. They are united in their struggle. The new consciousness of the Malay masses is a striking feature in the situation in our country. The Malays are rising up against the reactionary rule of the Barisan Nasional government, with the UMNO ruling clique as its nucleus, and strengthening unity with the Chinese and Indians.



More and more Malay figures in the religious, political, cultural, labor, and intellectual domains have recognized the reactionary nature of the UMNO ruling clique. More and more are breaking the racial boundary and freeing themselves from the narrow traditional thinking to sympathize with and support the struggle of the non-Malays for their own rights and interests. This has directly weakened those supporting the UMNO ruling clique and has to a great extent expanded a patriotic and democratic front of the people of various nationalities. Thus, favorable conditions have been created for the development of the patriotic and democratic movement in the future. The situation is bringing about great and deep effects on the Malays.

Simultaneously, the struggle of the Chinese and Indian nationalities against racial oppression and discrimination has reached a new stage. The Chinese and Indians are also concentrating their efforts to fight for the common interests of the people of various nationalities in addition to their own logical rights and interests. The Chinese and Indians are not only intelligent in mobilizing their forces, they are actively supported by the Malays. They respect the Malay tradition, sentiments, rights, and interests. This has enabled the Chinese and Indians to fight for equality among races and to be an important part of the patriotic and democratic movement.

6. The growth of the patriotic and democratic movement is an important indicator of the awakening of our country's people during the last few years. The movement has been tested in the struggle through closer ties with the masses and the overcoming of national disunity due to religious and political differences. The movement has also gradually merged with the people from all walks of life and united the efforts of those who want to change the society. It has held serious discussions on urgent problems faced by the people, namely the political and economic problems. It has exerted all efforts to seek a point of convergence by putting aside differences of opinion and adopting a common stand and action in important matters. This move has strengthened unity among the patriotic and democratic forces and enabled them to represent more people and achieve more successes. The movement has firmly opposed and exposed the anti-people and anti-democratic policies of the Barisan Nasional government by launching various forms of struggle, stressing the importance of upholding truth and facts. Besides acting as the people's spokesman, the movement has enlightened the public on the corrupt activities of the Barisan Nasional government and educated the masses to pay attention to their urgent needs. This action has created a favorable condition for the future spread of the patriotic and democratic movement.

The movement represents the conscience and interests of people of various nationalities and constitutes the present main current of activities in our country. Any new (?concept) that pays attention to the future of a nation should motivate, support, and get involved in this movement.

7. Our nation is a multiracial society. Under no circumstances can we depend on one single community in our efforts to overthrow the UMNO-Led Barisan Nasional government. We must strongly rely on the strength of people from all nationalities, who are being oppressed by the regime. There is no reason why these oppressed people cannot establish a broad united front of patriotic and democratic forces to oppose the common enemy.

At present, people from various nationalities and from patriotic and democratic groups must unite more closely to give priorities to the interests of the country and the people as a whole, coordinate and support of one with another in their struggle, find convergent points by setting aside differences, give priority to unity and understanding, direct the struggle against the Barisan Nasional Government with the UMNO ruling clique as its nucleus, and fight relentlessly against the clique. We must work to draw up a plan of action encompassing the characteristics, rights, and interests of various nationalities. This plan of action must be commonly accepted by all sides through democratic deliberations on the basis of racial equality to better guide the struggle.

We must give priority to the strategy and technique of the struggle [words indistinct] and maintain high vigilance against subversion plots by the reactionary regime.

8. Parliamentary struggle can be used as a means to educate the masses and expose the reactionary rule. Thus, we must not abandon this means, but we must also fully understand the limits of the parliamentary struggle under the conditions of our society. The repeated disrespect and violation of the wishes of the Sabah people are [words indistinct]. To develop the parliamentary struggle more perfectly, we must do our utmost to launch social campaigns outside the parliament and various forms of mass struggle to be coordinated with the patriotic and democratic struggle inside the Parliament. Only then can a gigantic force be created to oppose and condemn the Barisan Nasional Government that has the UMNO ruling clique as its nucleus. In the next elections for the Parliament and state legislative assemblies, the people of various nationalities should support candidates who are fully capable of voicing the people's wishes and representing the patriotic and democratic movement of various nationalities. The people should in no way trust the sweet and empty promises made by the Barisan Nasional Government and place any unrealistic hopes on the extremely reactionary bureaucrat and comprador capitalist class. We must continue to broaden the patriotic and democratic front, consolidate the propaganda work, and expose in a timely way various plots launched by the reactionary regime to further unite the people of various nationalities, broadly mobilize the masses, continue to strike and weaken the reactionary rule, and directly and indirectly encourage the people's efforts until the Barisan Nasional Government with the UMNO ruling clique as its nucleus is finally overthrown.

9. Extending cooperation in helping each other and coordinating the activities between the patriotic and democratic groups as well as the armed strength of the people are important guarantees for the people of our country to topple the Barisan Nasional government, that has UMNO as its nucleus, and to successfully establish total democracy for the country's society.

The people's armed strength forms an important guarantee for the people's struggle and for patriotic and democratic groups. The people's organizations and the patriotic and democratic strength form a reserve front that is important to the people's armed strength. Without the people's armed strength, the people will lose a solid guarantee in their struggle against suppression and the iron-risted rule, and without the support and the coordination by the patriotic and democratic masses, the people's armed strength will be unable to further widen and expand its power. As a result, and in conjunction with the launching of the masses' struggle, we should be fully aware of the importance and need to nurture the people's armed strength and to take a deeper interest in its development, actively extending support and goodwill to the people's armed strength. With this, we can inflict a harder blow on them, expand the people's front, and achieve an earlier and greater success through the people's efforts.

In our country, like in some colonized countries, democracy has not come easily. The capitalist bureaucratic comprador class, which is widely allied with the reactionary groups, will not just fold their arms upon seeing the expansion of the people's strength and of the patriotic and democratic organizations and will not let it violate, threaten, and more so shake the reactionary government. Suppression by them will surely become more cruel and will continuously increase in accordance with the expansion of the people's struggle and strength. Therefore, all the patriotic and democratic forces cannot for a moment view it lightly and, to the contrary, should take a strong stand to defend their struggle by adhering to the principles, opposing it strongly, and exposing all conspiracies, propaganda, and steps by the Barisan Nasional reactionary government, without fear of facing the suppression and the reactionary government's arrogance. They should also actively prepare ideologically and take important and suitable steps to defend the people's strength and their struggle.

10. The Malaysian Communist Party is a proletariat political party that defends keolo and promotes the Marxist-Leninist general [word indistinct] through concrete practice by revolutionizing the country and extending its services wholeheartedly to the various races.

In the long-term struggle for the defense of our country, for freedom of all races, for the people's basic rights and interests, and for democratic and social progress, our party is continuously taking a clear and strong stand and becoming a frontliner. Recently, our party has been actively working toward more progressive unity and cooperation with all the patriotic and democratic groups and other progressive forces opposed to the dictatorial and autocratic rule in order to bring about a wider patriotic and democratic united front in an effort to rally mammoth strength and joint struggle to defend the people's democratic rights in political, economic, cultural, educational fields and so on. We are also working to topple the accursed government of the Barisan Nasional, which has UMNO as its nucleus, and to create a new Malaysia that is sovereign, independent, democratic, just, free, progressive, happy and prosperous.

CPM SECRETARY GENERAL THOUGHT STILL ALIVE

BK281051 Kuala Lumpur NEW SUNDAY TIMES in English 27 Apr 86 p 8

[Text] Kuala Lumpur, Sat. -- Communist Party of Malaya (CPM) Secretary-General Chin Peng is still believed to be very much alive and in control of the party.

Inspector General of Police Tan Sri Mohamed Haniff Omar, who was asked about the veteran communist terrorist leader and his whereabouts said:

"That is the \$64,000 question. He is probably still alive as he remains the secretary-general of the CPM.

Tan Sri Haniff said as late 1961 [as published] the authorities had a statement from the then chairman of the CPM, Encik Musa Ahmad, who claimed that Chin Peng was alive. In 1974, Chairman Mao Zedong also claimed that Chin Peng was alive and living in China.

Tan Sri Haniff said the authorities had also identified at least three other communist terrorists who were the leaders of various factions operating in the peninsula. The three veteran leaders were Toh Kah Lim, Chong Chor and Ah Soo Chye.

Toh was the leader of a faction that operated mainly from southern Thailand while Chong heads the Sixth Assault Unit based in West Pahang. An Soo was the leader of the Fifth Assault Unit in Perak.

There had also been several encounters between communists terrorists and security forces in West Pahang which Tan Sri Haniff said was traditionally the operational area for the Reds since the Japanese Occupation.

"It was also the last base of operations by Chin Peng on Malaysian soil in 1953 before he took the remnants of his group to south Thailand.

"The CPM has built up its support of sympathisers there and the terrorists have been returning to their former familiar traditional operational grounds," he said.



KAPITSA: MARCOS ASSURED NO U.S. NUCLEAR WEAPONS

HK301349 Quezon City BUSINESS DAY in English 30 Apr 86 p 16

[By Abrino Aydinan]

[Text] While President Ronald Reagan is meeting ASEAN leaders in Bali for talks that will likely touch on Pacific cooperation, a ranking Soviet Union official yesterday called here for the Soviet version of a Pacific alliance.

Soviet Deputy Foreign Minister Michael Kapitsa described as a plan to put up a "mini-NATO" any Pacific Basin Community concept, which the U.S., Japan, Australia, ASEAN and other American allies support. Kapitsa referred to the existing Atlantic military alliance of the U.S. and Western Europe. Without naming the U.S., he also accused it of wanting to "turn the Pacific into an internal lake."

Kapitsa said the Soviet Union proposed last April 23 an Asian and Pacific Forum which will tackle various concerns of the countries of the region, including security. He said this would be similar to the European Conference on Security. He named a number of Soviet aligned governments, as well as India, as having already expressed support for the proposed regional organization.

Kapitsa said President Corazon C. Aquino whom he met Monday promised to study the Soviet proposal. "The world has witnessed more than once how the screen of economic assistance and economic cooperation, the objective processes of internationalization and integration of the world economy have been used to further and substantiate imperialist plans for the establishment of military groupings, treaties on joint defense and so forth," Kapitsa said.

Kapitsa made a surprising revelation that ousted president Marcos assured the Soviet Union that the Philippines would not allow the Americans to keep nuclear weapons in their bases here. "We have guarantees from the former government that it will not allow the Americans to have stores of nuclear weaponry at these bases," the Soviet official said.

Evidently referring to the new administration of President Aquino, Kapitsa said "we hope the government of the Philippines will look after that." The introduction of nuclear weapons into the U.S. bases "will create a new situation," he added.

BUSINESS DAY asked Kapitsa whether or not the Soviet Union was prepared to undertake an initiative to help resolve the Kampuchean conflict which is top in the ASEAN agenda. He replied that the Soviet Union was supporting an offer from the Heng Samrin regime installed by Soviet ally Vietnam for a meeting with the two noncommunist anti-Vietnamese Vietnamese forces in Kampuchea. The meeting would exclude the force of the former Kampuchean government overthrown by the Vietnamese. The Soviet ambassador described Kapitsa's visit as official.

ASEAN 1987 PLANNING SUMMIT MEETING IN MANILA

HK300827 Quezon City DZFM Radio in English 0800 GMT 30 Apr 86

[Text] The Association of Southeast Asian Nations, or ASEAN, will hold its summit meeting in Manila next year. This was contained in a joint communique signed by the foreign ministers of the ASEAN who are holding a conference in Bali, Indonesia. The communique did not say when the meeting would be held, but Vice President Salvador Laurel told reporters it would be held in July next year.

AQUINO OPENS ADB MEETING, APPEALS FOR SUPPORT

HK300547 Hong Kong AFP in English 0518 GMT 30 Apr 86

[Text] Manila, April 30 (AFP) -- President Corazon Aquino urged rich nations had international bankers Wednesday to put more faith and money in the Philippines after they lauded the overthrow of a dictatorship that ruined the economy.

In a speech opening the Asian Development Bank (ADB) annual conference, Mrs. Aquino said her country needed an infusion of fresh capital and loans to recover from Ferdinand Marcos's 20-year rule. "We appreciate your cheering us through the revolution. We are grateful for the profuse compliments. Now we would appreciate your help," said Mrs. Aquino, who was installed in power by a four-day military-civilian revolt in February.

She said "the coffers of our nation are nearly empty," and that the Philippines was "nearly as ravaged" now as it was after World War II. Mrs. Aquino said her government was "eager to rebuild" as in the postwar era but could not "pull off economic recovery as instantly as a rabbit out of a hat."

Mr. Marcos left behind a 26 billion dollar foreign debt when he fled to exile in Hawaii. The new government says he amassed a fortune of at least five billion dollars, hundreds of millions of which has been frozen by U.S. courts and the Swiss Government to help Manila recover the assets.

"We Filipinos have a renewed faith in our capacity to overcome our massive poverty and other problems Marcos has left us. But we also need your faith," she told more than 5,000 participants and observers in the ADB meeting.

She cited institutions like the Manila-based ADB and the Philippines' trading partners, which are led by the United States and Japan, who are also the main aid donors. Hundreds of top Western financial officials and bankers are taking part in the board of governors conference of the 47-nation ADB.

Her half-hour speech was interrupted by applause and laughter when she said her government was "left with a staggering foreign debt and nothing to show for it except some remarkable architecture in New York." Mr. Marcos is said to own a 350 million dollars property empire in Manhattan but denies it.

President Aquino said that unlike her predecessor, whose government spent lavishly on glamorous projects and was weakened by corruption, "I believe we have set a style for frugality, integrity and sincerity in government."

Mrs. Aquino said her three broad economic goals for which she needed international support were the alleviation of mass poverty, creating more jobs and a "just and equitable sharing of the fruits of development." She said "the key here is rural development," reiterating a priority for agriculture, which employs majority of Filipinos.

The government says 70 percent of Filipino families live below the poverty line -- income needed to support an average family of six. The latest available cutoff point set by law was 2,500 pesos (122 dollars) a month. President Aquino also repeated her plan to trim down the bureaucracy, which employs an estimated 1.2 million out of a population of 55 million, and to allow private business to lead in the economic recovery efforts.

JAPANESE FINANCE MINISTER MEETS WITH AQUINO

OW301330 Tokyo KYODO in English 1301 GMT 30 Apr 86

[Text] Manila, April 30 KYODO -- Visiting Japanese Finance Minister Noboru Takeshita asked President Corazon Aquino Wednesday for cautious handling of investigations into deposed President Ferdinand Marcos' allegedly ill-gotten wealth related to Japan's economic assistance. There have been various press reports on the problem, but the matter requires cautious handling, Takeshita said in the 20-minute meeting with Aquino at the presidential palace. Takeshita is the first Japanese Cabinet minister to meet Aquino after she took the presidency in late February.

Aquino told Takeshita that she had instructed the government's probing commission and other offices to treat the matter carefully, according to officials. The Manila government will keep in close contact with Japan on the matter through Japanese Ambassador Kyoshi Sumiya, Aquino said.

Regarding the current freeze in Japanese economic aid, Takeshita asked Aquino to work out her government's economic rebuilding policy and let the Tokyo government know what form its continued economic aid should take.

Aquino thanked him for the suggestion, officials said.

Sources close to Takeshita said he seemed to gain the impression that it might be some time before the Manila government gives Japan a comprehensive aid request program. Takeshita is here to attend a three-day annual general meeting of the Asian Development Bank opening Wednesday.

PIMENTEL ON LANA DEL SUR APPOINTMENTS

HK301455 Quezon City BUSINESS DAY in English 30 Apr 86 p 14

[Text] The conflict over the designation of officers-in-charge [OIC] of local governments in two "political trouble spots" in Lanao del Sur and Ilocos Sur continues to simmer. The appointed OICs met resistance from constituencies, in the case of Lanao del Sur, and from elected local executives, in the case of Ilocos Sur.

But Local Governments Minister Aquilino Pimentel Jr has maintained composure in the midst of such conflict and bared the reasons, including greed for power, the elected local officials refuse to relinquish their posts to the designated OICs.

A Mindanao leader interested in the controversial Lanao del Sur governorship has met with Pimentel on how to solve the political conflict in that province. Princess Tarhata Alonto Lucman, the former provincial governor, claimed that President Corazon C. Aquino had promised her the governorship in an acting capacity last week. Lucman also claimed "she can bring peace since she enjoys the confidence of the people." She belongs to the Alonto Lucman clan that ruled the province before martial law.

As she waited outside Pimentel's office Monday, another Mindanao leader also claiming the governorship tried to see Pimentel. Sultan Ali Dimakuta, together with former member of parliament Jiamil Dianalan (now both with the United Nationalist Democratic Organization, or Unido) also wanted to see Pimentel, but failed.



Designated vice-governor office-in-charge of Lanao del Sur, Dimakuta told BUSINESS DAY, "I refuse to accept the vice-governorship. I will do nothing. BUT I won't complain." (Dimakuta said he had been recommended for the governorship by the Dianalans, now enemies of former governor Ali Dimaporo ever since the Dianalans defected from the Kilusang Bagong Lipunan).

Asked if newly installed officer-in-charge governor Saidamen Pangarungan would be replaced, Pimentel replied, "It all depends on the circumstances. At the moment there are no plans of changing him." (Pangarungan is with Pimentel's party, the PDP-Laban [Philippino Democratic Party-Lakas Ng Bayan]).

Pimentel also said he has submitted a report to the President on possible solutions to the Lanao del Sur controversy. He, however, declined to elaborate saying this could be "counterproductive." He added that he was awaiting further instructions from Mrs Aquino. But he decided not to involve the office of the President because conflict in Lanao had ended. Further involvement of the President was no longer needed and so "I took over," Pimentel said.

In a separate forum, Pimentel said some outgoing local officials continue to resist the assumption into office of duly designated officers-in-charge because of sheer greed for power, fear of the consequences of being replaced such as exposure of wrong-doings, and desire to build power base of their own in preparation for the next local elections.

According to Pimentel, the power-greedy continue to hang on to their posts because they cannot imagine losing their positions of prominence and power which they have enjoyed for over a decade "under Marcos's pervasive umbrella of protection that made them veritable gods in their respective turfs."

"These local straws made hay under the Marcos's sun at the expense of the people, often to the sacrifice of people's rights and at times, even their lives," he said.

Those who resist are afraid that once out of office, "the skeletons in their official closets would be discovered and laid for the public eye to behold," he added.

From Baguio City, Pimentel has been accused of "dragging his feet" on the appointment of OICs for mayors and governor in Ilocos Sur. Lawyer Pablito Sanidad, Unido vice-president for Northern Luzon and former vice-governor of Ilocos Sur, made the allegation.

Sanidad told BUSINESS DAY that "had Pimentel appointed OICs as early as a month ago, incumbent mayors in Ilocos Sur towns would not have banded together and resisted any takeover of their offices."

Sanidad said only two OICs were designated mayors in Ilocos Sur, one for Suyo and the other for Santa Sanidad said in Suyo the designated OIC is Jose Bello, the PDP-Laban provincial chairman for Ilocos Sur. In Santa, the designated OIC comes from Manila and is not a native of the place.

Sanidad said the two were unable to assume office. The Suyo OIC was barred by the mayor, while the Santa OIC is still in Manila. Sanidad, who was recently appointed deputy minister for labor by President Corazon Aquino, denied reports that an OIC has been designated governor of Ilocos Sur. Placido Urbanes, a businessman from Manila, and Ramon Encarnacion, former Chairman of the Philippine Virginia Tobacco Administration were not appointed, said Sanidad.

Sanidad also said despite pronouncements by Pimentel that he (Sanidad) was recently designated OIC for the province, he has not yet received his official appointment papers. "I did not ask to be appointed OIC governor of Ilocos Sur, or deputy minister of labor," Sanidad said, adding that he could not refuse the President.

KBL URGES LOCAL ELECTIONS BE HELD IMMEDIATELY

HK010238 Manila Far East Broadcasting Company in English 2300 GMT 30 Apr 86

[Text] The Kilusang Bagong Lipunan yesterday [30 April] urged the Aquino government to schedule immediately the holding of elections to eliminate the confusion and obliterate soonest the explosive divisiveness spawned by the inordinate and illegal replacements of local officials. KBL officials, led by former Speaker Nicanor Yniguez as acting party president and Antonio Tupaz as chairman of the KBL revitalization committee, launched the move following the announcement by Local Governments Minister Aquilino Pimentel that elections may possibly be held late this year. Pimentel was reported to have ordered the early termination of the screening of possible appointments to replace local officials in the face of the announced election [as heard].

Yniguez said the people's decision in an election will be the strongest factor in the success of endeavors to stabilize government operations and to bring to reality the objectives of reconciliation and unity repeatedly enunciated by the president and the vice president.

LAND REFORM MAY COVER SUGAR, COCONUT PLANTATIONS

HK301443 Quezon City BUSINESS DAY in English 30 Apr 86 p 15

[Text] The government is considering the expansion of land reform to cover all agricultural lands including sugar and coconut plantations, Agrarian Reform Minister Heherson Alvarez said yesterday.

Alvarez, who assumed office yesterday, told newsmen that the Aquino government is determined to expand the coverage of land reform which is now limited to rice and corn lands. He said President Corazon C. Aquino, who during her campaign pledged to implement a genuine land reform, has "very earnest" plans for agrarian reform.

Earlier a group of land reform experts recommended to the President the immediate implementation of Presidential Decree No. 27, also known as the Land Reform Act in order to attain higher levels of productivity; hasten industrialization, especially in the agribusiness sector; and build a middle class group of farmers nationwide.

Alvarez assailed the Kilusang Magbubukid ng Philipinas (KMP) [Peasants' Movement] which claimed that he is not qualified to be the head of the Ministry of Agrarian Reform.

The KMP led by Jaime Tadeo claimed that Alvarez has been in exile for the last 13 years and might not be aware of the basic peasant problems.

However, Alvarez dismissed the peasants' accusations, and said, "I am as prepared as anybody in the horizon." "My politics has always been left-of-center and agrarian reform is basically a left-of-center problem," he said.

Harvard educated, Alvarez was a delegate to the 1971 Constitutional Convention and was cited as one of the 10 most outstanding delegates by former president Diosdado Macapagal in his book about the convention.

He fled the country during the early years of martial law. While he was in exile, Alvarez formed the Ninoy Aquino Movement for Freedom, Justice, Peace and Democracy (NAM) which has been referred to as the best organized and most extensive democratic opposition movement overseas by the WALL STREET JOURNAL and the CHRISTIAN SCIENCE MONITOR.

NAM is principally responsible for the documentation and expose of the massive Marcos wealth in America.

Meanwhile, Natural Resources Minister Ernesto Maceda yesterday said 93 logging concessioners have paid their license fee delinquencies amounting to P13.2 million. Maceda said 151 companies still have delinquencies totaling P22.4 million, some dating back to 1975.

The minister gave the delinquent firms until May 25 to pay or their operations would be terminated. Among the firms that paid their delinquencies are ACC Wood Industries, Inc., P18,000; Acme Plywood and Veneer Inc., P503,164.35.

#### RIVAL TRADE UNIONS SUPPORT NEW GOVERNMENT

HK010538 Hong Kong AFP in English 0444 GMT 1 May 86

[Text] Manila, May 1 (AFP) -- The Philippines' largest labor groups Thursday set aside decades of rivalry to express support for the government of President Corazon Aquino during the national celebration of May Day. Thousands of trade unionists gathered at three main assembly points in Metropolitan Manila and marched to a central park here where the president was to address a large afternoon rally.

May 1 is officially called Labor Day here. All factories, offices and schools are closed during the national holiday in this country, which has more than 21 million workers out of a national population of 55 million.

Veteran trade unionists said it was the first time in memory that radical, centrist and conservative unions held a joint celebration. Divisions among the labor groups sharpened during the latter part of exiled strongman Ferdinand Marcos's 20-year rule.

President Aquino, who was swept to power by a popular revolt in February, started the celebration with a morning ceremony at a suburban center of the conservative Trade Unions Congress of the Philippines (TUCP).

A member of a wealthy landowning family, she praised the worker as "truly heroic" and said laborers will "always have a special place in my heart." "The workers have an important role to play in the development of our country. I trust that you the workers will continue your support of the new government," she said.

#### AQUINO, MARCOS SUPPORTERS CLASH IN MANILA

HK010903 Hong Kong AFP in English 0859 GMT 1 May 86

[Text] Manila, May 1 (AFP) -- Scores of rival supporters of President Corazon Aquino and her deposed predecessor Ferdinand Marcos clashed Thursday near a central Manila park, leaving an undetermined number of civilians and policemen injured, witnesses said. Rocks and empty bottles flew from both sides shortly before Mrs. Aquino was scheduled to address a May Day rally. Two loud explosions rang out during the clash. Most of the antagonists were young men.



Mrs. Aquino arrived at a grandstand in the park minutes after the start of the fighting. The clash did not disrupt the Labor rally or a rival gathering staged by a smaller group of Marcos loyalists.

The rival groups appeared to have broken away from the two gatherings. The fighting occurred on side street between the sites of the rallies.

Two policemen and a government television photographer were injured in earlier incidents and were taken to hospital. The policemen were caught in the middle during a brief outbreak of stone-throwing between the two groups, between which riot police had positioned themselves as a buffer. A photographer for the government television station suffered burns when an Aquino support's T-shirt, set aflame by a Marcos loyalist, landed on his arm after a policeman clubbed the Marcos supporter.

The Marcos supporters, estimated by the police to number some 3,000, had gathered to mark the ex-president's wedding anniversary. They blocked a boulevard leading to the park where the May Day rally was held, forcing people attending the latter to take detours.

Pockets of Marcos loyalists sang nationalist songs and love songs favored by Mr. Marcos and his wife Imelda, as well as a ribald local ditty that parodies Mrs. Aquino as a laundrywoman.

Rhythmic car horn-honking and shouts of "Marcos, Marcos, still!" rang out.

Thousands of trade unionists gathered at three main assembly points in metropolitan Manila and marched to Rizal Park for the May Day rally. Veteran trade unionists said this was the first time in memory that radical, centrist and conservative unions had held a joint celebration of labor day. Divisions among labor groups sharpened during the latter part of Mr. Marcos' 20-year rule.

Mrs. Aquino, who was swept to power by a popular revolt in February, started the May Day celebration with a ceremony at a suburban center of the conservative Trade Unions' Congress of the Philippines (TUCP). The president, a member of a wealthy landowning family, praised the Philippine worker as "truly heroic" and said laborers would "always have a special place in my heart." She added: "The workers have an important role to play in the development of our country. I trust that you, the workers, will continue your support of the new government."

#### 14 SOLDIERS KILLED IN CAGAYAN, COMMANDER REPLACED

HK010226 Manila Far East Broadcasting Company in English 2300 GMT 30 Apr 86

[Text] At least 14 soldiers were killed and several were wounded yesterday [30 April] when communist rebels ambushed a government convoy in Cagayan. The soldiers were pinned down by heavy gunfire from about 100 NPA guerrillas at a remote village in Allacapan, Cagayan. The troops were on their way to establish a command post at a nearby village.

Armed Forces chief General Fidel Ramos sacked the local regional commander within hours. Relieved by Gen Ramos in the wake of the upsurge in NPA ambushes was Colonel Bernardo Ramos, the officer in charge of Regional Unified Command 2. He was replaced by Brigadier General Manuel (Rivo) who commands the 5th Infantry Division in the region. The 1st Brigade of the division is now bearing the brunt of the military campaign in the Cagayan Valley against the NPA rebels.

FIGHTER PLANES TO FIGHT INSURGENTS IN CAGAYAN

HK010652 Quezon City DZFM Radio in English 0600 GMT 1 May 86

[Text] Armed Forces of the Philippines Chief of Staff General Fidel Ramos today ordered the sending of Tora-Tora fighter planes to Cagayan. The fighter planes will beef up the firepower of ground forces fighting heavily armed NPA rebels in that province.

The sending of the aircrafts was in response to the series of ambushes staged by terrorists in Cagayan during the past few weeks. These ambushes resulted in the killing of close to 40 army soldiers and 2 journalists.

This is the first time that Tora-Tora planes will be used against NPA insurgents in Cagayan. The planes, which are armed with .40 caliber machineguns, have been effective in checking insurgency in Mindanao at the height of the secessionist uprising in the south.

MILITARY TO ATTACK NAGA DIMAPORO'S 'BARRACUDAS'

HK291545 Manila MANILA BULLETIN in English 29 Apr 86 p 8

[By Jose De Ver]

[Text] Beig. Gen. Rodrigo Gutang, chief of Regional Unified Command (RUC-12), said yesterday that the military will mount an attack against armed "Barracudas" under Naga Dimaporo, brother of Lanao del Sur Gov. Ali Dimaporo. The Barracudas, numbering about 500, make up the so-called private army of the Dimaporo brothers who hold sway at Karomatan town, where Naga Dimaporo was elected mayor.

Gutang said Naga Dimaporo was recently replaced by Army Colonel Undang who was designated officer-in-charge.

The RUC commander told newsmen after a 12-hour closed-door meeting, presided by Armed Forces Chief of Staff Gen. Fidel V. Ramos, that the attack in the "Barrucadas" was approved by Ramos.

Gutang denied reports that three to 14 persons were killed when Constabulary and Army troopers seized the capitol building in Marawi City last April 26. "I am denying vehemently the report because nobody was really killed and that no shooting ever occurred," he said.

What actually happened, he said, was that some provincial guards headed by Siadin Malik, and armed with automatic and M-79 grenade launchers fired at the house of Saidamin Pangurangan, Lanao del Sur, OIC, at Raja Adaya. Three of Pangurangan's relatives were wounded, Gutang said, and taken to a government hospital in the city.

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